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Daily Report

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General

Security Council Considers Cease-Fire Resolution

OW2203073491 Beijing XINHUA in English
0220 GMT 22 Mar 91

[“Big Five Hold Consultations on U.S.-Proposed Gulf Cease-Fire Resolution (by Qian Wenrong)”—XINHUA headline]

[Text] United Nations, March 21 (XINHUA)—The five permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United States—held private consultations this morning on a U.S.-proposed draft resolution for setting the terms for a permanent ceasefire in the Gulf region, according to U.N. diplomats.

The U.S. draft was presented to the council's permanent members at a brief meeting yesterday evening and sent to London, Moscow, Paris and Beijing immediately to ask for instructions from their capitals respectively.

The details of the discussions among the big five have not been revealed. According to U.N. sources, no consensus has been reached so far. Certain countries have reservations on some major issues. A number of developing countries considered “too harsh” the terms set in the draft.

The 12-page U.S. draft which has not yet been officially distributed to the council's non-permanent members covers the demarcation of the Kuwaiti-Iraqi boundary, the deployment of a U.N. observer force, the destruction of weapons of mass destruction, the compensation, the lifting of sanctions and ceasefire.

The draft decides that the boundary between Iraq and Kuwait and the allocation of islands shall be as agreed to by the two countries in the minute signed at Baghdad, “regarding the restoration of friendly relations, recognition and related matters on 4 October 1963,” and calls on them “to accept this as the international boundary and allocation of territory.”

The Gulf crisis was basically originated from the Iraqi claim to Kuwait although the Iraqi Government entered into an agreement with Kuwait on October 4, 1963 under which Iraq, among others, “recognized the independence and complete sovereignty of the state of Kuwait with its boundaries as specified in the letter of the prime minister of Iraq dated July 21, 1932.” The 1932 agreement was based on the British map worked out in 1923 and this early border demarcation was later regarded as invalid by Iraq, according to reference materials.

The draft calls on the U.N. secretary general “in consultation with Iraq and Kuwait, to demarcate the boundary between Iraq and Kuwait as defined in series United Kingdom K7611 series topographic maps.”

It decides that the Security Council guarantees the international boundary and the allocation of islands and

authorizes member states cooperating with the Kuwaiti Government, meaning U.S.-led coalition countries, “to use all necessary means towards that end.”

“In view of the past bad experience,” Kuwaiti ambassador to the U.N. Muhammad Abu al-Hasan said today, “it is necessary for Iraq, Kuwait and the United Nations to define a internationally recognized boundary between the two countries.”

But some countries said that the Kuwait's demand goes beyond Resolution 660 which calls on Iraq to withdraw its forces “to the position in which they were located on August 1, 1990.” The council has never previously claimed the right to settle this border dispute between Iraq and Kuwait.

The draft requests the U.N. secretary general to submit immediately to the council a plan for the deployment of an observer force to monitor a zone extending 10 kilometers into Iraq and five kilometers into Kuwait from the newly demarcated boundary and deter any unauthorized military or paramilitary crossing of the international boundary.

On the weapons of mass destruction, the draft requests Iraq to unconditionally accept the destruction, removal or rendering harmless, under international supervision, of all ballistic missile systems, all chemical, biological and nuclear weapons and their components, all stocks of chemical and biological agents and nuclear weapons grade material, and all research, development, support and manufacturing facilities related to the weapons of mass destruction.

It demands that Iraq submit to the U.N. secretary general, within 15 days of the passage of this resolution, a declaration of the location, amounts and types of all above-mentioned weapons of mass destruction.

It proposes that a special commission be formed to carry out immediate on-site inspection of Iraq's nuclear, biological, chemical and ballistic missile capabilities.

Regarding the compensation, the draft reaffirms Iraq's obligation to pay for all losses and damages as a result of its invasion of Kuwait and decides to create a fund to pay compensation for claims that include injury and death; property damage and theft; damage to and depletion of oil resources; actions affecting contract and property rights; losses of departing persons; violations of diplomatic privileges and immunities; and environmental damage.

It also decides that states with Iraqi assets in their territory “shall prevent their removal,” and that “a percentage of the value of exports of petroleum and petroleum products from Iraq will be provided to the fund.”

On the sanctions, the draft decides to permit the partial lifting of sanctions imposed on Iraq since Iraqi invasion of Kuwait on August 2, 1990.

It says that the prohibitions against the sale of supply to Iraq of commodities or products and prohibitions against financial transactions "shall not apply to food-stuffs and medical supplies" and "materials and supplies for essential civilian needs," and that these prohibitions contained in Resolution 661 "shall have no further force and effect" upon the approval by the Security Council of the program.

But, the draft still decides to prevent the sale or supply to Iraq of arms and related materials of all types, technology used in the production, utilization or stockpiling of arms and related materials, personnel or materials for training or technical support services related to the design, development, manufacture, use and maintenance of military equipment.

The draft says that the Security Council will declare that "upon formal Iraqi acceptance of the provisions above, a ceasefire is effective" between Iraq and Kuwait and the governments cooperating with Kuwait, meaning the U.S.-led coalition countries.

U.N. sources said that the U.S. draft resolution requires more time than ever for the council member states to study. The Security Council is expected to hold formal consultations on this matter early next week and possibly take action before weekend.

Commentary Views Issues in U.S.-Soviet Ties

OW2203050791 Beijing Domestic Service in Mandarin
0530 GMT 21 Mar 91

[He Lishan commentary from the "International News and Current Affairs" program: "A Look at U.S.-Soviet Relations Against the Backdrop of Baker's Visit to Moscow"]

[Text] During his visit to Moscow from 14-16 March, U.S. Secretary of State Baker held talks with the president and the foreign minister of the Soviet Union, respectively. Baker's visit to Moscow marked the first formal contacts between high-ranking leaders of the United States and the Soviet Union since the end of Gulf war.

He made this visit at a time when discrepancies between the two countries are increasing because of the Gulf war, the arms reduction talks have reached a stalemate, the Soviet Union is readjusting its domestic policy, and, in particular, the Soviet Union is taking steps to stop separatist activities in the three Baltic republics, which, in turn, has caused a cooling in U.S.-Soviet relations. His trip, therefore, draws international attention.

The most important issues discussed at the meetings were the post-war arrangement in the Gulf and Middle East issues. Baker arrived in Moscow after visiting five countries in the Middle East. First of all, he briefed the Soviet leaders on his visit to the five countries in the Middle East and listened to their opinions. Judging from this fact, one cannot overlook the influence of the Soviet

Union on the Middle East and the Gulf. The United States still needs to seek continued cooperation with the Soviet Union.

During the talks, Gorbachev presented a written proposal of the Soviet Union, with an emphasis on the leading position of countries in the Middle East and the right to participation of other countries that have interests in the area. It stresses the functions of the United Nations in arranging and maintaining post-war security in the Middle East and settling Arab-Israeli conflicts. Gorbachev said the security system in the Gulf should be a component part of the security system of the Middle East as a whole and that, in addition to limiting the armaments in this area, the presence of foreign troops in this area should return to the level prior to 1 August 1990.

The proposal raised by the Soviet Union is fairly close to the idea entertained by the United States about forming a security mechanism relying on Saudi Arabia, Egypt, and the Gulf Cooperation Council, as well as the participation of other countries in this area; about eliminating political and economic root causes and military factors which brought about the crisis in this area; and about carrying out the settlement of the Arab-Israeli conflicts in accordance with UN Resolutions 242 and 338. Discrepancies still exist regarding the aspect of whether it is necessary to hold an international meeting on Middle East issues and open a dialogue with the PLO.

The Soviet Union also expressed grave concern over the U.S. decision to maintain troops in the Gulf. Despite the fact U.S. media announced that the Bush government has promised to allow the Soviet Union to play its role in the process of peaceful settlement of Gulf and Arab-Israeli conflicts, it is still unknown what part the Soviet Union will play. As pointed out in media reports, the United States just won the war. The United States did not accept the suggestions for peace made by the Soviet Union before the ground battle. It is almost inconceivable that the United States will listen to the suggestions of the Soviet Union on post-war arrangements. It is evident that the United States and the Soviet Union will have both struggles and compromises in post-Gulf war arrangements and Middle East issues.

The problem of arms reduction talks was the most difficult mission for Baker during this trip. Both sides acknowledged that they encountered difficulties regarding arms reduction. Before Baker's trip, the United States repeatedly accused the Soviet Union of cheating in carrying out the European Conventional Arms Reduction Treaty by moving a large amount of military equipment to the area east of the Ural Mountains and reorganizing three mechanized army divisions as marine corps to avoid reduction. Before the meetings, Baker openly said that he will not submit the treaty to the Congress for approval before settlement of this problem on the part of Soviet Union. As a matter of fact, the United States has already put aside this treaty. Recently, President Bush said that only when the Soviet Union completely carries out the conventional arms

reduction agreement in Europe will negotiations on the reduction of strategic weapons be possible. As far as the problem of the Strategic Arms Reduction Treaty is concerned, although both sides repeatedly said this treaty is almost ready, the final stage technical problems turned out to be very difficult to handle. According to Soviet officials, the solution to this problem is in the hands of the United States, which lacks political resolution. But Baker said that it takes two sides to show their real resolution in overcoming discrepancies. The stalemate in the negotiations, according to analysis in some reports, is attributable more to political reasons than technical problems.

The Soviet Union wished to discuss a concrete schedule for a U.S.-Soviet summit meeting during Baker's visit; however, after his talks with Gorbachev, Baker said the U.S.-Soviet summit meeting is suspended pending the final drawing-up of the Strategic Arms Reduction Treaty. The United States links conventional arms reduction in Europe with strategic arms reduction and the convening of the U.S.-Soviet summit meeting. Therefore, the problem of whether or not it is possible to break the stalemate in conventional arms reduction in Europe has become a crucial test for U.S.-Soviet relations.

Regarding the aspect of bilateral relations, the United States and the Soviet Union encountered some changes. Although Baker repeatedly stressed that leaders of the Soviet Union are still partners of the United States and Gorbachev also stressed that the Soviet Union has not changed its attitude toward U.S.-Soviet relations and both sides still have something important to do, popular opinion indicates that U.S. support for the Soviet Union is more in words than deeds.

As far as bilateral relations are concerned, one thing is most worthy of attention—that is, Baker's meeting with representatives and persons from opposition parties in the Lithuanian, Estonian, and Latvian republics during his visit to the Soviet Union. He said the Bush government will increase contacts with them. He also openly announced that the United States acknowledges Soviet frontiers of 1939. Baker said this on the eve of a referendum in which the destiny of the Soviet Union will be decided. Judging from President Bush's remarks that the principle of the United States is to help the three Baltic states become independent rather than to punish the Soviet Union, it seems U.S. policy toward the Soviet Union is similar to the idea entertained by former U.S. national security adviser Brzezinski, which advocates that while maintaining regular and formal diplomatic relations with the Soviet Union, it is necessary to seek and enlarge the scope of relations with all independence-seeking republics, through both government and civilian contacts, so as to strengthen U.S. influence on the development of the Soviet domestic situation.

Few achievements were realized during Baker's trip to Moscow; however, since U.S.-Soviet relations involve strategic security interests of the two countries, both sides said they will seek honest cooperation in a careful

and responsible manner. No one is sure that both sides are able to overcome difficulties in the near future. But one thing is sure, that is, the future development of U.S.-Soviet relations will not be a smooth ride.

United States & Canada

Official Appeals to U.S. for Renewed MFN

HK2203100091 Hong Kong AFP in English 0940 GMT
22 Mar 91

[Text] Beijing, March 22 (AFP)—A leading trade official here has appealed to the United States to renew China's most-favored-nation (MFN) trading status, which Congress is threatening to revoke due to a massive trade imbalance.

China puts great stress on increasing its imports from the United States and would dispatch a large trade delegation this year to arrange sizable purchases, the official, Sun Zhenwu, told state-run television late Thursday.

Mr. Sun, the director of the Ministry of Foreign Economic Relations and Trade's American and Pacific department, said revoking MFN status would harm bilateral relations and mutual economic interests.

"Moreover," he said, "it will also affect the stability and prosperity of Hong Kong," which stands to lose 10 billion dollars if the preferential trade status is revoked because of its reliance on entrepot trade with China.

"The consequences are clear, I believe," Mr. Sun said. "I hope that all circles in the United States will do their best to protect the interests of both countries."

Congress is increasingly upset over China's expanding trade surplus with the United States, which stood at 10 billion dollars in 1990 and could rise to 15 billion dollars this year.

Other areas of trade friction include U.S. allegations that China was exceeding an import quota for textile products and garments and not adopting strict enough measures on intellectual property right control.

U.S. officials have said the trade deficit could give added ammunition to Congress this year, which failed last year to have China's MFN status revoked as "punishment" for the 1989 Tiananmen Square massacre.

President George Bush renewed China's MFN status last May. But under U.S. law, MFN status for countries with state-run economies such as China must be renewed each year.

MFN status grants the lowest available import tariffs to Chinese products.

Diplomat Discusses Sino-U.S. Relations

OW2203090491 Beijing XINHUA Domestic Service
in Chinese 0244 GMT 22 Mar 91

[“Development of Sino-U.S. Relations is a Need for Both Sides—Zeng Tao on His U.S. Visit; by reporter Xu Yicun (6079 2011 4783)”—XINHUA headline]

[Text] Beijing, 22 Mar (XINHUA) — Zeng Tao, a well-known Chinese diplomat who recently returned home from a visit to the United States, today told a XINHUA reporter that he was optimistic about the development of Sino-U.S. relations.

Zeng Tao pointed out that problems that had affected the normal development of Sino-U.S. relations can be resolved through common efforts by the two sides.

On 4 March this year, Zeng Tao, a member of the National People's Congress [NPC] Standing Committee and vice chairman of the NPC's Foreign Affairs Committee, led a seven-member delegation of the NPC's Foreign Affairs Committee, whose members included NPC Standing Committee members Zhang Ting and Dong Yinchu (chairman of the China Zhi Gong Dang), to conduct a two-week visit to the U.S. capital of Washington D.C. and west coast cities of Los Angeles and San Francisco, at the invitation of the National Council on U.S.-China Relations. This was the first high-level NPC delegation to visit the United States since the “4 June” disturbance of 1989. The delegation separately met with and held collective talks with more than 20 U.S. congressmen, and had conversations with officials of the White House, the State Department, and the Defense Department. In Los Angeles and San Francisco, Zeng Tao gave addresses by invitation and answered questions raised by audiences.

During his interview with a XINHUA reporter, Zeng Tao said the purpose of his U.S. visit was to understand the situation in the United States and to explain to and brief U.S. congressmen, people in U.S. political circles, and the U.S. general public, on China's policies and the actual situation in China.

Speaking on the status quo and prospects of the development of Sino-U.S. relations, Zeng Tao said: From my meetings and conversations with U.S. congressmen and with new and old friends among U.S. Government officials, I feel that U.S. congressmen and people of U.S. political circles still have friendly feelings toward China, and still hold a positive attitude on the prospects of Sino-U.S. relations. Things are not as strained as was exaggerated by some news media. Quite a few U.S. congressmen held that common interests between China and the United States are of paramount importance, and that political and economic cooperation between the two countries is in line with the underlying interests of the people of the two countries and will contribute to world peace. Some congressmen reviewed the cut-off period in Sino-U.S. relations in the past, and held that it harmed both sides and that this history should never be repeated.

They said, since the two countries established diplomatic relations in 1979, that relations between the two countries have developed rapidly, and that bilateral trade has also grown markedly. Therefore, we should treasure these hard-won friendly relations. Some congressmen said, considering the long-term interests of China and the United States, current differences between the two countries are negligible. Therefore, they said they believed the two countries eventually will find appropriate ways to iron out these differences.

Recalling his delegation's talks with U.S. congressmen, Zeng Tao said both sides held that friendship between the two countries should be developed and relations between the two countries' parliaments should also be developed, to further friendly relations between the people of the two countries. The two sides also expressed the belief that developing Sino-U.S. relations still has broad prospects, and that the key to achieving this is for the two sides calmly to study existing problems to discover ways to resolve these problems.

Referring to the main obstacle affecting the further restoration and development of Sino-U.S. relations, Zeng Tao said at present it is the issue that some people in the United States are leveling reproach against China's trial of criminal law offenders in the 4 June incident and against China's favorable balance in bilateral trade.

Zeng Tao said: Regarding the former issue, our delegation explained in great length to U.S. congressmen: Those involved in the 4 June accident put on trial are criminals who disrupted public order and violated the law, not so-called “figures striving for democracy and freedom.” Up to now, the task of interrogation has been by and large completed, with the exception of only a few cases which have as yet to be concluded. What is more, the task of interrogation began as early as more than one year ago. Some people have alleged that China hastily conducted the trials by taking advantage of the Gulf war. This is entirely groundless. As to the degree of harshness of the sentences, Zeng Tao stressed: In trying all criminal law offenders, China acts on the basis of facts, and uses the law as a criterion. In this instance, the court pronounced the sentences by taking full account of the historical background. On the whole, the treatment was lenient.

As to the assertion that the U.S. side thinks China enjoys a very large favorable balance of trade, an explanation was also given by the delegation. There may be a surplus or deficit in bilateral trade, and this is something very natural. China had a trade deficit for a long time in the past, and there is nothing to be surprised about if it has a small trade surplus at present; however, it is unfair and unreasonable to include the entrepot trade of other countries and regions in China's account and to hold China responsible for the reduction of its imports of American high-technology products resulting from the sanctions imposed by the U.S. side. Also, it is only a temporary phenomenon that China has in recent years cut its imports due to the readjustment of its economy and the curtailment of its capital construction scale.

These questions can be resolved step by step through consultations between the two sides.

Zeng Tao told the reporter that many people said they had come to understand the matter after hearing the explanations, and that many congressmen and public figures of various communities said they wanted to visit China to see for themselves. Recalling the occasions when he gave speeches in Los Angeles and San Francisco, Zeng Tao said that he was deeply impressed by the warm response from the audiences and the enthusiasm for improving Sino-U.S. relations they expressed when asking questions.

Commentary Views Post-Gulf War U.S. Economy

HK2203011191 Beijing RENMIN RIBAO in Chinese
19 Mar 91 p 7

[“Special Commentary” by Li Changjiu, (2621 7022 0036) editor-in-chief of the XINHUA NEWS AGENCY International Department: “The Gulf War and the U.S. Economy”]

[Text] The Gulf war has significantly impacted on the U.S. economy: During the Gulf crisis and Gulf war, negative factors played the major role, while the Gulf war's end will have some influence on stimulating the U.S. economy's revival.

The U.S. economy entered a recession in the fourth quarter last year mainly because of the change of various factors within the economy itself. Last year, before the Gulf war erupted, the two great forces that determine U.S. economic trends—personal consumption expenditures and firm investments—had weakened considerably. Calculated on a constant U.S. dollar rate, personal consumption, which accounts for two thirds of the U.S. GNP, rose 1.9 percent in 1989 compared with 0.2 percent in the first quarter of 1990, and went down 0.1 percent in the second quarter. Firm investments on fixed capital rose 1.6 percent in 1989 and 1.8 percent in the first quarter of 1990, but went down 2.1 percent in the second. Determined annually, the U.S. economy for the first half of 1990 grew merely 1.05 percent. Chief economic indicators showed that the U.S. economy, which had been growing over the last seven years, had begun a downturn.

The Gulf crisis' outbreak only worsened the U.S. economic recession. The 1990 fourth-quarter U.S. personal consumption expenditures decreased some \$20 billion, as the confidence of consumers and firms dipped further; firms hesitated about investing and adopted a wait-and-see attitude. Those were the two important factors for the U.S. 2-percent—annual rate—negative economic growth in the 1990 fourth quarter. Another negative influence of the Gulf crisis and Gulf war on the U.S. economy was that the U.S. greatly expanded military expenditures, which has further increased the financial deficit. The general estimate was that the United States spent some \$60 billion from the start of the Gulf crisis to the end of the Gulf war. Though most of the sum is to be borne by other countries, leaving the United States with only \$15 billion, nonetheless, the U.S. finances will have

a heavier burden as the subscribed money is not due for a while. In 1990, the U.S. financial deficit amounted to \$220.4 billion, and the 1991 deficit is expected to reach \$318.1 billion.

Of course, the Gulf war has also benefited the U.S. economy. During the war, the United States consumed an enormous amount of weapons and tested many new ones, and Gulf countries will buy an enormous amount of American military equipment and weapons. All these will further stimulate the U.S. military industry. About one-third of U.S. industrial firms are related to the production of arms and military ware or such. To a certain extent, this will mitigate the U.S. economic recession.

In particular, the Gulf war's rapid conclusion will obviously have a positive role and impact on the U.S. economy.

First, consumers and firms will start slowly to regain and grow in confidence. During the Gulf crisis and Gulf war, many consumers postponed buying cars or houses. The 1990 fourth-quarter losses of the U.S. General Motors, Ford, and Chrysler, the three big U.S. car manufacturers, were \$2.088 billion, far larger than the record 1981 third-quarter loss of \$943.3 million. This January, the workday rate in the U.S. residential housing construction industry dropped 12.8 percent, the biggest monthly drop since the United States exited from the last economic recession. The downturn in construction and property industries deepened the bank crisis. After the Gulf war ended, however, consumers will begin regaining confidence; car and house purchases, already held up, will slowly revive. As personal consumption increases, so will firm investments. This will be an important factor to help the U.S. economy make an upturn.

Second, falling oil prices have provided more elbow-room for stimulating the economy and adjusting monetary policies. Last year, OPEC raised the package oil price from \$17.31 per barrel in 1989 to \$22.32, up \$5.01. The United States is the world's largest oil consumer and importer: 8 million barrels in last year's daily average oil imports. Greenspan, chairman of the U.S. Federal Reserve System, calculated that a \$10 per barrel increase would make the U.S. economic growth rate drop 1 percent and its inflation rate rise 2 percent. Last year, the U.S. inflation rate jumped from 4.6 percent in 1989 to 6.1 percent, chiefly because of rising oil prices. During the Gulf crisis and Gulf war the world oil market basically had demand-supply equilibrium; though once there was some fluctuation owing to psychological factors and speculation, oil prices did gradually lower. Since last year, the U.S. Federal Reserve Board has twice lowered the interest rate, reducing the discount rate from 7 to 6 percent, and major commercial banks immediately lowered the prime rate. As oil prices fall and the inflation rate drops, the U.S. Federal Reserve Board and commercial banks will have a greater leeway to lower interest rates to further stimulate personal consumption and firm investment and thus push the U.S. economy out of recession.

Third, the post-war reconstruction of Gulf countries will provide American firms with more opportunity, and this will help improve U.S. foreign trade.

The Gulf war has severely damaged Kuwait's and Iraq's economic foundations and living facilities. It is generally estimated that Kuwait's reconstruction will cost \$100 billion, and Iraq's \$150-\$250 billion. Owing to a variety of causes and factors, recent competition among various firms has focused on the market of Kuwait's construction. Economists believe that the Kuwaiti Government will adopt a policy of "meting out rewards according to merits," distributing post-war reconstruction contracts according to each country's contributions in the Gulf war. Owing to the U.S.' special status and role in the Gulf war, the bulk of Kuwait's reconstruction items will go to American firms. Last year, U.S. exports amounted to \$394 billion, up 8.3 percent from 1989; and the foreign trade deficit was \$101 billion, down 7.7 percent, the lowest foreign trade deficit year since 1983. The large number of reconstruction contracts acquired by American firms from the Gulf country will help the United States increase commodity and technology exports and further reduce its foreign trade deficit. This will be another effective factor that will help push the U.S. economy back on an upward curve.

Summing up all the above, we can predict that, compared with the previous two U.S. economic recessions, the current one will be moderate and short-termed. Short of a sudden occurrence, the current U.S. recession is expected to end in the latter half of this year, or at year's end at the latest. However, constrained by serious financial deficits and banking problems, the U.S. economic upturn will be rather flaccid.

Post-War U.S. Policy on Middle East Assessed

HK2203090791 Beijing RENMIN RIBAO in Chinese
20 Mar 91 p 6

[“Roundup” by staff reporter Zhang Qixin (1728 0796 2500); “U.S. Foreign Policy on the Middle East as Seen from Bush's Meetings With Three Heads of State”]

[Text] Washington, 17 Mar—From 13 to 16 March, U.S. President Bush met separately with Canadian Prime Minister Mulroney, French President Mitterrand and British Prime Minister Major in Ottawa, Martinique, and Bermuda respectively, for the first time since the Gulf war. This was an important development in recent U.S. Middle East diplomatic activities.

With the end of the Gulf war, the question of peace in the Middle East has become an important subject in current international diplomatic relations. The U.S. administration has maintained that now is the “opportune time” for the United States to launch its Middle East diplomacy. So over the past two weeks, it has been very active in trying to use the “prestige” won after the war to formulate a Middle East security structure which is acceptable to all and which also favors the maintenance of important U.S. influence in the Middle East. In his speech to Congress on the evening of 6

March, Bush outlined his plan for a solution to the Middle East problem. Secretary of State Baker then visited the Middle East in order to obtain feedback from concerned countries. Meanwhile, Bush's meetings with Western heads of state represented yet another important move to synchronize U.S. steps with those of the Western allies.

The U.S. media have maintained that this round of consultations carried out by the United States has basically achieved its expected results. Generally speaking, the Western allies all supported U.S. efforts to seize the opportunity to “spur the Middle East peace process.” But each country held its own views on certain important issues.

On the question of post-war security in the Gulf region, the views of the concerned countries are generally close to those of the United States. In view of its own “security interests” and of realistic considerations, the United States has proposed that the security arrangements in the Gulf region should be shared by all concerned parties.

Concretely speaking, the United States will not station ground troops in the Arabian Peninsula, and the greater share of responsibility for security in this region will be shouldered by the Arab states; however, the United States stressed that it will hold regular joint military air and ground exercises in the area, and will also maintain a “sufficient” naval force in the Gulf to increase its military presence in the Middle East. While the concrete details of this plan have not been publicized, its general framework has been accepted by Egypt, Syria, and the six Gulf states. No major disagreements were voiced during Bush's meetings with the Western heads of state, but what is interesting is that the official cease-fire agreement proposed by the U.S. and British heads of state imposes strict restrictions upon Iraq. This exceeds UN Security Council Resolution 686.

On the resolution of the Arab-Israeli conflict and the Palestinian issue, the United States proposed the principle of “land in exchange for peace” on the basis of UN Resolutions 242 and 338. The Western countries do not have great differences on this point, but they do differ on the means to achieve peace in the Middle East.

The United States has held that peace can be gradually obtained through Arab-Israeli negotiations and a dialogue between Israel and the Palestinian people. France has maintained, however, that the various complicated issues in the Middle East can only be effectively settled through the convening of an international conference. At the same time, the French president also believed that according to the UN resolutions, the Palestinian people may establish their own country and that the PLO remains the representative organization of the Palestinian people.

Obviously, France's proposal is different from the existing U.S. stand, but France's proposal reflects the views of some Arab countries. After his Middle East trip, Baker also admitted that while all parties in the Middle East wanted a settlement of the Arab-Israeli dispute, they

all have different ideas about the realization of peace in the Middle East. Reports have indicated that the United States wanted to present more concrete suggestions and examine the reactions from all parties.

On restricting the proliferation of arms in the Middle East, and launching economic cooperation, the United States is presently still limited to talks about principles, while no concrete plans are yet available. On the transfer of weapons, some countries sought to impose more restrictions on others while refusing to be restricted themselves. Mulroney has called for the holding of a meeting of heads of state to curb the sale and transfer of weapons in the Middle East. Meanwhile, Bush indicated that while he does not agree to the relaunching of an arms race in the Middle East, that does not mean that weapons may not be sold to others or that military sales will be cut off.

On the question of economic cooperation, the problems are similarly intractable. The media here maintained that the gap between rich and poor among the Arab states was one source of regional conflicts, and these arguments, in turn, hinder mutual economic cooperation. Consequently, the U.S. desire to realize its wish of "economic freedom and prosperity" for all countries in the Middle East appears not to be an easy thing.

Bush Administration's Energy Policy Viewed

HK2203100391 Hong Kong *LIAOWANG OVERSEAS EDITION* in Chinese No 11, 18 Mar 91, pp 30-31

[*"Dispatch"* by Fang Yinong (2455 5030 6593) from Washington: "New Energy Policy of the Bush Administration"]

[Text] The United States is the largest energy consumer in the world. Its population of 250 million people accounts for 5 percent of the world's total, but its energy consumption accounts for one-fourth of the world's total, and its oil consumption in particular accounts for one-third of the world's total oil consumption. On the other hand, half of the oil needed by the United States has to be imported. Therefore, how to reduce the increasing demand for imported oil is always a question attracting public attention in the United States. Although the energy policy announced recently by U.S. President Bush stressed the need to develop domestic energy production in order to meet the huge demand, there is still a lack of effective measures for economizing on energy as demand continues to exceed supply. So it will be hard to reduce the degree of the country's dependency on imported oil.

The Bush administration began to study and formulate the new energy policy about 18 months ago. The reason it made it public at this moment is obvious: The outbreak of the Gulf crisis once again reminded the United States of the longstanding and unsettled issue of excessive dependence on imported oil. U.S. Energy Secretary James Watkins stressed that due to the Gulf crisis, the United States must reduce its dependency on the oil

imported from unstable regions and must at the same time increase its domestic production in order to guarantee supply.

The American public still retains the grim memory of the oil crises in the 1970's, and the recent Gulf crisis once again evoked worries in people's minds. They hoped more ardently that the U.S. Government would formulate a sound energy policy which could lead to a decrease in the import of oil; however, the Bush administration's new energy policy did not satisfy people's hopes in this regard.

The main contents of the new energy policy include the following points: Increasing domestic oil production, and beginning to explore and exploit the oil and gas reserves in the Arctic National Wildlife Protection Zone of Alaska State and in some coastal areas; relaxing controls over the construction of nuclear power plants and over the disposal of nuclear waste to promote the utilization of nuclear energy; simplifying the regulatory measures for the laying of gas pipelines to make natural gas a kind of energy with competitive capacity; reforming the regulations for controlling the power industry in order to stimulate business competition; and promoting the utilization of wind energy, solar energy, and other renewable types of energy.

By comparison, the measures for economizing on energy in the new policy were rather insufficient and ineffective. The main measures were to encourage consumers to buy electrical appliances and other products with higher energy efficiency; to adopt unified standards for energy use in the construction of new housing; to encourage creditors to give consideration to energy efficiency when financing various projects; and to encourage employers to provide travel allowances for their employees so that the latter can make more use of public transport means.

Energy Secretary Watkins expected that the new energy policy would increase the daily oil output of the United States by 3.8 million barrels by the year 2010, and that at the same time the average daily oil consumption would be reduced by 3.4 billion barrels. He also admitted that even if all the measures in the new policy were put into practice (as some of them have to be ratified by Congress), the degree of the United States' dependency on imported oil would only be lowered from the present level of 50 percent to something between 40 percent and 45 percent by the year 2010; however, without such a policy, the United States would have to import as much as 65 percent of its oil needs by the year 2010.

President Bush himself also admitted that for a fairly long time to come, the United States will still need to import large quantities of oil, and a substantial part of the imported oil will come from a "trouble-ridden" region—namely, the Middle East. He said: "We are still far from being completely self-sufficient in the matter of energy."

In the United States' energy issue, there exists a sharp contradiction between oil production and oil consumption. According to statistics maintained by the U.S.

Department of Energy, in the United States, oil consumption accounts for about 41 percent of its overall energy structure, the remainder consisting of coal, natural gas, nuclear energy, and renewable energy (such as wind energy, wave energy, and solar energy). In 1990, total energy costs in the United States reached \$450 billion, and accounted for 9 percent of the country's gross national product. The country had to import about 8 million barrels of oil each day in order to meet domestic demand, and this accounted for half of the total domestic oil demand and one-fifth of the country's total energy expenditure. A major reason for this state of affairs lies in the fact that the existing oil fields in the United States have been gradually exhausted after being exploited for so many years, and the operating costs in these oil fields have been continuously rising. Seeing that there were no satisfactory profits, the oil companies have shifted their production more and more to overseas areas. Therefore, one of the top priority tasks for the U.S. Government is to guarantee the oil supply. One of the purposes of fighting the war in the Gulf was to ensure the oil supply from the Middle East to the United States, because one-fourth of the oil imported by the United States comes from that region.

Moreover, the import of a huge quantity of oil every year has a very unfavorable impact on the U.S. economy as a whole. In recent years, the trade deficit incurred by the United States has exceeded \$100 billion every year, and 40 percent of the deficit is caused by oil imports. Therefore, the turbulence in the Middle East and the fluctuations in the oil prices have always affected the economic lifeline of the United States. According to Alan Greenspan, Chairman of the Federal Reserve Board, if the price of each barrel of oil increases by \$10, the bill for imported oil for the United States will increase by some \$30 billion a year. According to Michael Boskin, chairman of the Council of Economic Advisers to President Bush, if the oil price increases by 10 percent, the annual economic growth rate of the United States will be lowered by 0.1 to 0.2 percentage points.

Analysts generally hold that the target of controlling the United States' dependency on imported oil may just be on paper. Over a fairly long period of time, the energy structure with oil as the main body will not be changed substantially in the United States, because the means of transport, such as cars, trains, planes, and ships, in the United States account for two-thirds of the total oil consumption. It is hard to find fuels that can be substituted for oil for the transport industry in the near future. As the domestic oil output will continue to decrease, the United States will be more and more seriously dependent on imported oil. According to what the U.S. Energy Information Agency anticipates, from 1990 to 2010, daily crude oil output in the United States will decrease by 4 million barrels, while the average daily oil consumption will increase by 4 million barrels. By the year 2010, the average daily oil imports to the United States will increase to something between 10 million barrels and 15 million barrels. That is, imported oil will account for 54 percent to 67 percent of the oil consumption in the United States.

The Energy Information Agency also anticipates that by the end of this century, only a small number of countries in the Gulf will be able to export substantial quantities of oil. At that time, almost all the imported oil will come from the Gulf.

Soviet Union

PLA Chief Meets Soviet Aviation Delegation

OW2103132791 Beijing XINHUA in English
1306 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army [PLA], met principal members of a Soviet aviation delegation led by first deputy minister of Aircraft Industry Aleksandr Geratchenko here today.

Chi had a friendly conversation with his guests on Sino-Soviet relations of friendship.

Chi wished success to the delegation's demonstration flight tomorrow in Beijing and expressed his belief that the delegation's visit to China will promote the friendly relations between the two countries.

The Soviet delegation arrived here on March 18 after attending an aircraft show in the Philippines.

Delegation Demonstrates Flights

OW2203143591 Beijing XINHUA in English
1243 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—Seven Soviet military and sports aircraft performed demonstration flights over China's capital this morning.

The high performance Soviet aircraft, including SU-27 and MIG-29 fighters, were well received by Beijing viewers.

Addressing the demonstration, Lieutenant General Li Yongtai, deputy commander of the Air Force of the Chinese People's Liberation Army, expressed his belief that the demonstration will promote friendship between the Chinese and Soviet Air Forces and exchanges between the two countries' aircraft industries.

The seven Soviet aircraft are part of a Soviet aviation delegation led by First Deputy Minister of the Aircraft Industry Aleksandr Geratchenko. The delegation is visiting China after attending an aircraft show in the Philippines. The delegation is scheduled to leave Beijing for home on March 24.

Northeast Asia

Shen Jueren Meets Japanese Trade Minister

OW2103154291 Beijing XINHUA Domestic Service
in Chinese 1628 GMT 18 Mar 91

[By reporter Wang Dajun (3769 1129 6511)]

[Text] Tokyo, 18 Mar (XINHUA)— Eiichi Nakao, Japanese minister of International Trade and Industry, said here today that he hoped cooperative relations in the economic and trade field between Japan and China would further develop.

Nakao made these remarks during a meeting with Shen Jueren, Chinese vice minister of Foreign Economic Relations and Trade, who is currently on a visit to Japan.

A delegation of the China-Japan Economic and Trade Coordination Committee led by Shen Jueren arrived in Japan yesterday for a visit. The delegation will attend the Fifth Japan-China Economic and Trade Regular Consultations to be held here tomorrow.

Nakao also said that the Fifth Japan-China Economic and Trade Regular Consultations and the visit to Japan by Shen Jueren and his party had positive significance, and that consultations between the two sides will help develop good economic and trade cooperation between the two countries.

Nakao also emphatically pointed out that the development of Japan-China relations is instrumental to maintaining stability in Asia and to preserving world peace. He said China's maintaining a stable environment will benefit its work on reform and opening up.

During the meeting, Shen Jueren expressed welcome to Minister Nakao's upcoming visit to China. He pointed out that, since Japan set up the Council for Expanding Trade Between Japan and China, and China established the China-Japan Economic and Trade Coordination Committee in 1986, the two sides had launched fruitful cooperation in various fields.

Li Peng Receives Japanese Trade Minister 21 Mar

Taro Nakayama Visit Announced

OW2103133591 Beijing XINHUA in English
1322 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—Japanese Minister of Foreign Affairs Taro Nakayama will soon pay a visit to China, Japanese Minister of International Trade and Industry Eiichi Nakao said here today in a meeting with Chinese Premier Li Peng.

During the meeting, Nakao passed regards from Japanese Prime Minister Toshiki Kaifu to Li and told him that former Japanese Prime Ministers Yasuhiro Nakasone and Noboru Takeshita are also scheduled to visit China in the near future.

Li Peng asked Nakao to convey his best regards to Kaifu and said the Chinese Government welcomes the forthcoming visit to China by Nakayama, Nakasone and Takeshita.

Offers Support for Arms Restraints

OW2103143991 Tokyo KYODO in English 1424 GMT
21 Mar 91

[Text] Beijing, March 21 KYODO—Premier Li Peng on Thursday offered China's broad support for a Japanese proposal to require countries to report the sales and purchases of conventional arms to the United Nations, Japanese officials said.

However, Li was negative toward a total ban on arms exports, saying China does not agree with denying smaller countries the right to defend themselves.

In an 85-minute session with Japanese Minister of International Trade and Industry Eiichi Nakao, Li expressed support for Japan's call for tightening arms trade, the officials said. The premier told Nakao that restraints on and reductions in nuclear arsenals on the part of major powers are more important.

Nakao's request followed an international agreement, reached in Tokyo earlier this week, to tighten arms export controls in order to stem the proliferation of weapons of mass destruction in the wake of the Persian Gulf war.

Representatives from 15 advanced countries met in Tokyo on Tuesday and Wednesday and agreed on the accord.

China is one of the powers which supplied arms to Iraq, whose troops were driven out of Kuwait after seven months of occupation.

Premier Li referred to China's domestic affairs and reiterated that Beijing would continue with reforms and open-door policies, Japanese officials said.

After arriving in Beijing earlier Thursday on a four-day visit, Nakao met Li Lanqing, Minister of Foreign Economic Relations and Trade.

Nakao is the third Japanese cabinet member to visit China since the military crackdown on pro-democracy demonstrations in Beijing's Tiananmen Square in June 1989.

Assures Backing on Islands Claim

OW2103145491 Tokyo KYODO in English 1443 GMT
21 Mar 91

[Text] Beijing, March 21 KYODO—Premier Li Peng on Thursday assured Japan of China's continued support for Tokyo's call for the return of four Soviet-held islands off Japan's northernmost main island of Hokkaido, Japanese officials said.

Li told Japan's International Trade and Industry Minister Eiichi Nakao not to worry that China might possibly shift its position on the decades-long territorial dispute between Japan and the Soviet Union.

Earlier in the day, Chinese Foreign Ministry spokesman Wu Jianmin indicated that China has retracted its 20-year support for Japan's call for the return of the four islands.

Wu, director of the Ministry's Information Department, told a news conference that the dispute is a bilateral matter between Japan and the Soviet Union and that China hopes the dispute will be resolved through negotiations between the two countries.

Li told Nakao the spokesman's comment contained nothing new.

After examining a transcript of Wu's comments at a news conference, Li said the spokesman has pointed out that there is no change in Beijing's basic position on the Japanese-Soviet territorial dispute.

Li told Nakao that China's basic position means support for Japan and that Wu meant the dispute should be a matter to be resolved by Japan and the Soviet Union.

Meanwhile, a Soviet diplomatic source in Beijing told KYODO news service on Wednesday that recently China has not mentioned support for Japan on the territorial issue.

Western diplomatic sources in Beijing said China's shift to a neutral position reflects a rapprochement between Beijing and Moscow.

Japan has long called for the return of the islands—Etorofu, Kunashiri, Shikotan, and the Habomai group of islets—which the Soviet Union seized immediately after World War II.

China has consistently sided with Japan in demanding the return of the islands after Japan and China issued the Shanghai Communique and restored diplomatic ties.

The territorial problem is expected to be high on the agenda in talks between Japanese Prime Minister Toshiki Kaifu and Soviet President Mikhail Gorbachev, who is due to visit Japan on April 16-19.

'Happy' Over Restoration of Ties

OW2103153291 Beijing XINHUA in English
1512 GMT 21 Mar 91

[“Li Peng: China Happy With Restoration of China-Japan Ties”—XINHUA headline]

[Text] Beijing, March 21 (XINHUA)—“We are happy to see that the full restoration of Sino-Japanese ties is now underway. The prospects for bilateral cooperation are broad.” Chinese Premier Li Peng said here today.

In a meeting with Eiichi Nakao, Japanese minister of International Trade and Industry, Li said that the Chinese side will take a serious attitude towards implementing a five-year long-term trade agreement which was signed between the two countries last year.

Li said, “I appreciate Minister Nakao's view on reaching a trade balance in the process of developing trade.”

Li noted that since Japanese Prime Minister Toshiki Kaifu and his government decided to take the lead in resuming the yen loan to China, the work with regard to the loan for the year 1990 has been going on smoothly.

Speaking of energy resources cooperation, Li said that China welcomes the active attitude of the Japan National Oil Corporation towards opening up oil fields in the Tarim Basin in northwest China.

He stated that he has asked Wang Tao, general manager of China Oil and Gas Corporation, to follow up the matter with the Japanese side during his scheduled visit to Japan.

Dwelling on China's economic development program, Li said that China will focus its attention on basic industry and the raw material industry in the forthcoming decade. “Broad prospects for cooperation exist between China and Japan,” he added.

“I believe that by further implementing of the reform and open policy in China, external economic cooperation will expand and the investment environment will improve,” Li said. He expressed his hope that the investment-promoting organizations set up in the two countries last year will play a great role in enhancing Japanese investment in China.

Nakao briefed Li on the Japanese Government's view on further promoting Japan-China economic and trade relations.

Li Lanqing, Chinese minister of Foreign Economic Relations and Trade and Nakao's host, was present at the meeting.

Nakao arrived here earlier today for a four-day visit to China.

State Councillor Meets Nakao

OW2203113891 Beijing XINHUA in English
1121 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—Zou Jiahua, Chinese state councillor and minister in charge of the State Planning Commission, met with Eiichi Nakao, Japanese minister of International Trade and Industry, and his party here this afternoon.

They had a friendly conversation on promoting the economic cooperation between the two countries.

After the meeting, Zou hosted a dinner for Nakao.

Ye Qing, vice-minister of the Planning Commission, was present at the meeting.

Li Lanqing Suggests East Asian Economic Bloc

OW2203110791 Tokyo KYODO in English 1042 GMT
22 Mar 91

[Text] Beijing, March 22 KYODO—China, expressing concern over moves toward the formation of economic blocs in Europe and North America, called Friday for Sino-Japanese

collaboration in establishing an East Asian economic cooperation sphere, Japanese officials said.

The proposal was made by Foreign Economic Relations Minister Li Lanqing during his meeting with visiting Japanese Minister of International Trade and Industry Eiichi Nakao, according to the officials accompanying Nakao.

Li stressed the need for Japan and China to cooperate on East Asian affairs, expressing concern over moves toward the establishment of an economic bloc among the United States, Canada, and Mexico and the 1992 market integration of the European Community (EC), they said.

In this connection, Li referred to a proposal by Malaysian Prime Minister Mahathir for the establishment of an East Asia economic cooperation group, the officials said.

Li said China and Japan should exchange views on future developments in Asia and proposed a joint study of the possibility of establishing an East Asian economic sphere with China and Japan at its core, they said.

Nakao agreed to exchange opinions on the proposal, they said.

Li also asked Japan to lower the trade insurance rates for Japanese exports to and imports from China, which were raised following the military crackdown on prodemocracy demonstrators in Beijing in 1989. Nakao promised to study the request, the officials said.

Nakao later met with Huang Yicheng, minister of energy resources, to discuss Japan's assistance in the development of natural resources in China, the officials said.

They said Huang told Nakao that China will carry out development of inland resources on its own, such as the tapping of oil in the Tarim Basin in northwest China, declining Japan's offer of cooperation.

The two countries have agreed to conduct joint surveys on the project.

Huang expressed China's hope for Japan's financial assistance for the project.

He then asked Nakao that Japan increase its resources development aid to China, including financing through the government-financed Export-Import Bank of Japan, the officials said.

Japan has pledged 420 billion yen in the first package and 580 billion yen in the second.

The officials said Nakao declined to respond immediately to the Chinese request, saying Japan will study the matter when details of China's future development projects are made known.

Southeast Asia & Pacific

CPC Representative To Attend Lao Congress

OW2203115591 Beijing XINHUA in English
1145 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—Pu Chaozhu, a member of the Central Committee of the Communist

Party of China (CPC), left Beijing by air today for Laos via Bangkok to attend the Fifth National Congress of the Lao People's Revolutionary Party as representative of the CPC.

This is the first time that the Lao People's Revolutionary Party has invited a CPC representative to attend its national congress, according to the International Liaison Department of the CPC Central Committee.

Australian Foreign Minister To Visit PRC

OW2103121491 Beijing XINHUA in English
1117 GMT 21 Mar 91

[Text] Canberra, March 21 (XINHUA) - Australian Foreign Minister Gareth Evans announced today that he would visit China from April 23 to 25.

During his stay in Beijing, Evans said in a statement, he would undertake a wide-ranging series of discussions with China's foreign minister, Qian Qichen, and other ministers, focusing on bilateral relations, economic and political issues, and regional affairs.

A particular focus of those discussions would be the United Nation's peace plan for Cambodia, he added.

Evans' visit will be the first ministerial visit since the Australian Government's decision last month to remove the remaining economic and political restrictions on Australia's relations with China.

Evans said that Australia recognized China's important role in the Asia-Pacific region, and remained committed to the development of a strong bilateral relationship based on mutual benefit, respect and common regional interests.

"My visit will enable me to re-establish our high level dialogue with the Chinese, and to encourage further expansion of the commercial relationship between our two countries, and to express the hope that the processes of reform and modernization begun prior to June 1989 would continue," he said.

Before going to China, Evans will deliver a keynote address at the annual meeting of the trilateral commission being held in Tokyo from April 20 to 22, on Asia-Pacific regional developments in a global context, according to the statement.

The trilateral commission was founded in 1973. It is a policy-oriented organisation of some 300 distinguished private citizens drawn from a variety of backgrounds from North America, Western Europe and Japan.

Evans will be in Hong Kong from April 21 to 22, and again on April 25 after his visit to China. Evans said his visit to Hong Kong would be an important opportunity to discuss bilateral and regional issues, including air services arrangements, APEC (Asia-Pacific Economic Cooperation) and Vietnamese boat people.

Evans emphasized that Australia supported the continuing negotiations between China and the United Kingdom aimed at ensuring a smooth transition to Chinese sovereignty in 1997.

"Australia recognises the importance both to itself and to the region of Hong Kong's continuing prosperity during and beyond its transition to Chinese sovereignty," Evans said.

Marshall Islands President Winds Up Visit

OW2103125391 Beijing XINHUA in English
1216 GMT 21 Mar 91

[Text] Shanghai, March 21 (XINHUA)—Amata Kabua, president of the Republic of the Marshall Islands, left here for Tokyo today after his nine-day state visit to China.

Yesterday, Zhu Rongji, mayor of Shanghai, met the president and his entourage. The two sides expressed wishes for bilateral cooperations in various fields.

During their stay in Shanghai, the president and his entourage visited the Shanghai Volkswagen Corporation.

Vietnam Welcomes Thai Military Chief's Visit

OW2103182891 Beijing XINHUA in English
1608 GMT 21 Mar 91

[Text] Hanoi, March 21 (XINHUA)—Vietnam welcomed the visit of Sunthon Khongsomphong, supreme commander of Thai Armed Forces to visit Hanoi as soon as possible, Foreign Ministry spokeswoman said today.

Spokeswoman Ho The Lan said at a press conference held here this afternoon that Vietnam welcomes the exchange of visits between the military chiefs of Vietnam and Thailand as "it will promote the understanding and friendship between the two countries."

However, she said the details will be agreed on by military chiefs of the two countries.

Ho also disclosed that Thai Foreign Ministry has told the Vietnamese ambassador recently that they hoped to hold a meeting of deputy foreign minister level. Now such a meeting is under arrangement.

Favors Malaysian Statement

OW2103183291 Beijing XINHUA in English
1533 GMT 21 Mar 91

[Text] Hanoi, March 21 (XINHUA)—Vietnam today welcomed Malaysian Prime Minister Mahathir Mohammed's statement advocating holding dialogues between member countries of the Association of Southeast Nations (ASEAN) and Vietnam, Laos and Myanmar.

At a news briefing today, Foreign Ministry spokeswoman Ho The Lan said, Mahathir's statement "is a positive proposal. It is keeping with the current trend of dialogue between countries in the world, especially with the aspirations of the nations in the region for turning Southeast Asia into an area of peace, neutrality, stability and cooperation."

ASEAN groups Indonesia, Malaysia, Singapore, Thailand, the Philippines and Brunei.

Near East & South Asia

Merhav Pays Visit, Contacts Under Way

TA2103200291 Jerusalem Israel Television Network
in Arabic 1730 GMT 21 Mar 91

[Text] The Chinese Foreign Ministry spokesman stated today in Beijing that Israeli Foreign Ministry Director General Re'even Merhav had paid a special visit to China.

In another development, our political affairs correspondent, Shlomo Ganor, reports that contacts are under way between Israel and China aimed at establishing diplomatic relations between the two countries and that last year an office of the Israeli Academy of Sciences was opened in Beijing. In addition to this, there has been an exchange of experts in the fields of agriculture and the reclamation of deserts.

Our correspondent points out that Foreign Minister David Levi met with his Chinese counterpart in New York last October.

Commentary on Settlement of Israeli-Arab Conflict

HK2203072991 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 11, 18 Mar 91, p 26

[“International Commentary” by Xu Boyuan (6079 0590 3220): “Settlement of Conflicts Between Arab Countries and Israel Should Now Be Put on the Agenda”]

[Text] After the end of the war in the Gulf, the world began to shift attention to the settlement of the conflicts between the Arab countries and Israel. International opinion generally holds that it is now the time to settle the Arab-Israeli conflicts. Many countries have proposed the holding of an international conference on the Middle East issue in order to seek a fair solution for the Arab-Israeli conflicts as soon as possible and realize lasting peace and stability in the Middle East.

The Middle East has been plagued by the Arab-Israeli conflicts for over 40 years. The United Nations adopted a resolution in 1947 on establishing two states in an area of 26,000 square kilometers. One was a Jewish state, and the other was an Arab state. The state of Israel was founded in the following year, but the state of Palestine was not founded for various reasons. On the contrary, through several Middle East wars, the Palestinian territory was gradually annexed by Israel. In particular, Israel occupied the West Bank of the Jordan River, the Gaza Strip, the Sinai Peninsula of Egypt, the Golan Heights of Syria, and the district of Jerusalem City governed by Jordan in the 1967 War. The total area of these occupied territories is 65,000 square kilometers, or more than four times the legal area of Israel proper. Nearly 500,000 Palestinian people and other Arab peoples originally living in those areas were turned into homeless refugees. In 1967, the UN Security Council adopted Resolution 242, demanding that Israel withdraw from the territories it occupied in the war. So far, Israel has merely returned

the Sinai Peninsula to Egypt. In recent years, the Palestinian people in the West Bank staged uprisings again and again, but they were all ruthlessly suppressed by Israeli authorities.

After invading Kuwait last year, Iraq demanded that the Gulf issue be settled together with the Middle East issue in order to justify its aggressive action and take the Middle East issue as a bargaining chip. Such a "linkage" was obviously unreasonable, but it still won sympathy and support among some people in the Arab world because the fair settlement of the Palestinian problem was an ardent desire of the Arab people, and once somebody mentioned this, he would win support among the Arab people. This indicated that the settlement of this issue brooked no delay.

Israel's annexation of the West Bank and other Arab territories is an issue that has remained unsettled for as long as 24 years. It has deepened Arab-Israeli hostility very much. Now, as Iraq has agreed to accept the UN Security Council's resolutions and to withdraw from Kuwait, should the Arab-Israeli problem also be settled? Settling the Arab-Israeli conflicts and especially the Palestinian problem as soon as possible has become the consensus of opinion in the contemporary world. The point at issue is how to settle it. On 25 February, REUTER quoted a diplomat by saying: "If the West does not put forth something, it will be accused of adopting dual standards." The same dispatch also quoted another diplomat by saying: "After the end of the war, the Third World will inevitably exert greater pressure and demand that the Palestinian issue be discussed by the United Nations with the war in the Gulf."

After the outbreak of the Gulf crisis, some Arab countries and even some European countries, including the Soviet Union, proposed more than once the holding of an international conference on the Middle East issue. The United States also consented to this. On 28 February, after the cease-fire was effected in the Gulf, President Bush announced that he would send Secretary of State Baker to visit some Gulf and Middle East countries and to discuss with them some questions, including the settlement of the Arab-Israeli contradiction.

What, then, is the scheme of the United States? In his speech to Congress on 6 March, President Bush said that the solution should be based on Resolution 242 and Resolution 338, which reiterated the principle of Resolution 242, and should insure that Israel will obtain security and recognition and the Palestinian people will have legal political rights. He did not mention that the Palestinian people should be allowed to set up their own state on the occupied territories. In late February, Israeli Prime Minister Shamir revealed something by saying: "The U.S. officials will be more willing to promote the dialogue between Israel and other Arab countries rather than emphasizing the need to hold Israeli-Palestinian talks as they did last year." He also said: "While moving into the election year, the United States may reduce its pressure on Israel." Israel has always opposed the establishment of a Palestinian state by its side, and has always

insisted on annexing the occupied territories. This has been evidenced by its effort to resettle Jewish immigrants on a large scale in the occupied territories in recent years; however, as Saudi Arabia's former oil minister Yamani [0068 7456 1441] said, the United States is "very soft" toward Israel, because "its congress, mass media, and financial market are all controlled by the Zionist lobbying group." People are now waiting to see how the United States will deal with Israel's stubborn attitude and what action it will take to show that its action in the Gulf was not derived from its selfish motives and that it did not hold dual standards toward the UN resolutions.

As all people know, the Middle East issue is related to peace and stability in the whole world, and the Palestinian issue is the crux of the Middle East issue. Therefore, if the Palestinian issue is not properly settled, the Arab world will not be able to enjoy lasting and fair peace. At present, the settlement of the Arab-Israeli conflicts, especially the Palestinian issue, should be put on the agenda.

'Roundup' Views Visit of Kuwaiti State Minister

*OW2103163391 Beijing XINHUA in English
1619 GMT 21 Mar 91*

["(Roundup) Kuwaiti Minister of State Visits China"—XINHUA headline]

[Text] Beijing, March 21 (XINHUA)—The Chinese Government and people are very sympathetic with the heavy losses, damages and miseries the Kuwaiti people suffered during the Gulf crisis and war and the difficulties the country is facing.

This sentiment was expressed by Chinese President Yang Shangkun, Premier Li Peng and Foreign Minister Qian Qichen here today at their meetings with visiting Kuwaiti Minister of State for Cabinet Affairs Al-'Awadi.

The Chinese leaders told Al-'Awadi that China will do its best to help Kuwait reconstruct the country and continue its support for Kuwait's demands for restoration of its legitimate rights at the U.N. Security Council.

Al-'Awadi, arriving here yesterday, is the first Kuwaiti high-ranking official to visit China since Kuwait restored its independence and sovereignty.

This morning, Qian Qichen held talks with Al-'Awadi, during which Qian told him that China treasures very much Sino-Kuwaiti friendly relations of cooperation and will further develop such relations.

In his meeting with Al-'Awadi this afternoon, Li Peng noted that what the Kuwaiti people accomplished in restoring its independence and sovereignty with the help of the international community has safeguarded the guiding principles of international relations.

The premier said that he had instructed the Chinese departments concerned to draw up measures for helping Kuwait.

When meeting with Al-Awadi this afternoon, President Yang told Al-Awadi that Kuwait's victory has proved that justice always defeats evil and asked Al-Awadi to convey his regards to Amir Jabir.

In the meetings and talks with Chinese leaders, Al-Awadi expressed his hope that the Chinese Government will continue to back Kuwait's demand for the restoration of its legitimate rights in the United Nations and help in the rebuilding of the country.

He also expressed his appreciation to the Chinese Government for its sympathy and support for the Kuwaiti people during the Gulf crisis. He especially thanked the Chinese Government and people for their friendly and grand reception for Amir Jabir when the latter visited China during Iraq's invasion of Kuwait.

The Chinese companies had had a good reputation for their participation in Kuwait's construction in the past, he told Foreign Minister Qian, adding that he hopes China would continue to render cooperation and maintain its good tradition by helping Kuwait carry out capital reconstruction and overcome difficulties.

The Kuwaiti minister told the Chinese president that Kuwait's reconstruction will be both economic and political, vowing that Kuwait will not fail to live up to the expectations of the world.

Al-Awadi conveyed an invitation from the Kuwaiti amir and prime minister to Premier Li to visit Kuwait when the situation there has been further stabilized.

Kuwaiti Minister Departs

OW2203111791 Beijing XINHUA in English
1048 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—'Abd-al-Rahman al-Awadi, Kuwaiti minister of state for Cabinet Affairs, left here by special plane today after concluding his visit to China.

He was seen off at the airport by Chinese Vice-Minister of Foreign Affairs Yang Fuchang and Kuwaiti Ambassador to China 'Abd-al-Hamid A.S. al-Bu'ayjan.

West Europe

French Foreign Ministry State Secretary Leaves

OW2203105791 Beijing XINHUA in English
1047 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—Theirry de Beaucé, French state secretary to the Foreign Ministry, left here for home today.

De Beaucé arrived here on Monday for a visit at the invitation of the Chinese Foreign Ministry.

Yesterday, Chinese Vice-Premier Wu Xueqian, State Councilor Song Jian and Foreign Minister Qian Qichen met him on separate occasions. Vice-minister of foreign affairs Tian Zengpei held talks with him on March 20.

CITIC Grants Loan to Guangzhou Peugeot

OW2203135491 Beijing XINHUA in English
1040 GMT 22 Mar 91

[Text] Guangzhou, March 22 (XINHUA)—The Industrial Bank of China's International Trust and Investment Corporation (CITIC) will provide the Guangzhou Peugeot Automobile Company with a loan of 102 million French francs, XINHUA learned today.

According to an agreement signed recently between the two sides, the money will be used to import from France production lines and equipment for the ongoing second-phase construction of the Guangzhou Peugeot Company.

The credit, with a term of eight years, was borrowed by CITIC from a French bank.

The Guangzhou Peugeot Automobile Company will have an annual production capacity of 30,000 cars when the second-phase construction is completed by the end of 1992, and the ratio of localization will reach 60 percent, according to company officials.

Song Ping Meets German Communist Visitors

OW2203120791 Beijing XINHUA in English
1131 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—Song Ping, standing committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here today with a group from the German Communist Party, which is led by Rolf Priemer, chief spokesman of the party's Central Council.

In the meeting, Song and Priemer had friendly discussions on issues of mutual concern, according to an official from the International Liaison Department of the CPC Central Committee.

Song, extending a welcome to the visitors on behalf of the CPC Central Committee, said he expects to continue to develop relations between the CPC and the German Communist Party on the basis of the "four principles" guiding party-to-party ties.

Political & Social

High Court Rejects Convicted Dissidents' Appeals

HK2203101491 Hong Kong AFP in English 1005 GMT
22 Mar 91

[Text] Beijing, March 22 (AFP)—The Beijing People's High Court has rejected the appeals of two dissidents accused of masterminding the 1989 democracy movement, upholding their 13-year prison sentences. A court spokesman said Friday that the court ruled Monday to "uphold the original sentences" against Chen Ziming and Wang Juntao, who were charged with sedition and "inciting counter-revolutionary propaganda."

A seven-year sentence against veteran human rights activist Ren Wanding was also upheld by the high court, the spokesman said. Mr. Ren, 46, had appealed his conviction of "inciting counter-revolutionary propaganda."

Mr. Chen, a 38-year-old economist, and Mr. Wang, 33, a journalist, were accused of being the "black hands" behind the democracy movement. They were convicted on February 12, refusing to admit any guilt during their trials. The two formed the core of a private think tank, the Beijing Social-Economic Research Institute, which gave backing and guidance to the student-led protest movement on Tiananmen Square.

All three dissidents had been active in previous democracy movements in 1976 and 1978-79.

Beijing judicial authorities told visiting American lawyers this week that there would be no more trials in connection with the 1989 movement. Courts here sentenced three dozen leading dissidents in January and February.

'High-Power Committee' on Public Security Set Up

OW2203094591 Beijing XINHUA in English
0928 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—A high-power committee for comprehensive management of public security was set up here today.

The committee is headed by Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, with Ren Jianxin, president of the Supreme People's Court, and Wang Fang, state councillor and former minister of public security, as deputy heads.

Among the 31 members of the committee are Secretary-General of the State Council Luo Gan, Deputy Secretary-General of the Standing Committee of the National People's Congress (NPC) Cao Zhi, Minister of Public Security Tao Siju, Minister of State Security Jia Chunwang and Minister of Justice Cai Cheng.

Other members are leaders of the Supreme People's Procuratorate and the Supreme People's Court, ministers in charge of civil affairs, railways, labor, radio, film and television as well as army officials.

Since the beginning of this year, the Chinese Communist Party has attached much importance to comprehensive management of social security, calling for improving social order by legal, administrative, economic and educational means.

The party Central Committee, the State Council and the NPC Standing Committee have released two separate decisions to promote the comprehensive management.

The new committee will be responsible for guiding and supervising this work throughout the country.

Similar institutions have been set up at the ministerial and provincial level.

Official Says Li Peng Still Guides Reform

HK2203063391 Hong Kong HONGKONG STANDARD
in English 22 Mar 91 p 14

[By Alan Nip]

[Text] Premier Li Peng still plays an active role in China's top reform body though he is no longer its director.

In an exclusive interview with the HONGKONG STANDARD, Wang Shiyuan, deputy director of the State Commission for Restructuring the Economy, stressed that Mr Li still took time off to personally look after the commission's works.

He quoted the premier as saying late last year that the decision to add a full-time director to the commission was meant to reinforce its power in leading the country's reform efforts.

"Despite the replacement of director, the commission is still under the direct leadership of the premier," Mr Wang quoted Mr Li.

Last September, Chen Jinhua, a relatively junior official, took over the post from Mr Li as full-time director of the commission, a move some analysts said downgraded the body's power.

The commission was set up in 1982 by the now disgraced leader Zhao Ziyang who also headed it when he was premier from 1980 to 1988. During that time it was the most powerful economic policy-maker in the government.

Mr Li was director of the commission after he succeeded Mr Zhao as premier in 1988.

"During the process of drafting reform guidelines for the Eighth Five-Year Plan and the 10-year development programme period by the commission, Premier Li constantly took time off to listen to reports concerning the work," Mr Wang said.

Mr Li also gave many instructions to the drafting work and had called several meetings of the State Council to discuss the issue.

"The premier also took time off to listen to the report by Chen Jinhua during a national reform conference early this month and gained an understanding of many important issues raised by the participants," Mr Wang said.

The official stressed that the commission had become more powerful in regard to co-ordinating economic reforms in the country.

For instance, the commission is empowered to examine the reform guidelines for the Eighth Five-Year Plan and 10-year development programme before the draft could be discussed and adopted by the national reform conference.

Mr Wang also confirmed that the State Council recently issued a document which stressed the need to strengthen the power of the commission.

"The document requires that many major reform measures proposed either by the central government or local authorities should be first co-ordinated by the commission," he said.

Mr Wang said with that the commission was no longer a research establishment or a think tank, but a department of authority and administration.

Early last month, the commission was reorganised to include senior officials from various government ministries and take on responsibility for rural reforms.

Besides the minister, his deputies and a small full-time staff, the commission now includes deputy heads from various government departments who serve on a part-time basis.

This means that these departments now have a deputy head specifically assigned to look after reform in his or her job.

The departments include the State Planning Commission, Ministry of Finance, the People's Bank, the Production Commission under the State Council, Ministry of Labour and the State Administration of Commodity Prices.

Deputies Arrive in Beijing for NPC Session

OW2103130791 Beijing XINHUA in English
1252 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—Nearly 3,000 deputies to the National People's Congress (NPC), the Chinese version of parliament, are arriving in the Chinese capital for the NPC's 4th session, to begin next Monday.

According to the session organizers, deputies from Qinghai, Shandong, Gansu and other 14 provinces and autonomous regions have checked in with the rest expected to arrive tomorrow.

The coming session is expected to receive worldwide attention because high on its agenda is the deliberation of the draft outlines of the ten-year program (1991-2000) and the Eighth Five-Year Plan (1991-1995) for national economic and social development.

The deputies are staying in a dozen hotels including the Beijing Hotel, during the two-week session.

The Jingxi Hotel, located in western Beijing, is receiving 12 of the 32 delegations to the NPC session, including those from the People's Liberation Army, Tianjin, Shanghai and Tibet.

It was reported that deputies in different parts of the country had canvased opinions and suggestions from their voters and various circles before heading for Beijing so that they can better express the popular wish and will in the process of deliberating various motions and formulating laws.

Fifty-six deputies from Shanghai, China's largest industrial city, have decided to put forward during the session some ways and means to help enliven large enterprises after they made an inspection tour of 20 enterprises in the city early this year.

Deputies from south China's Guangdong Province will offer their own suggestions on the development of agricultural enterprises with foreign investment as a result of their investigation in the province's Zhongshan, Zhuhai, Jiangmen and Fushan Cities where the commodity economy is relatively developed.

Many NPC deputies are expected to table their bills for deliberation during the annual session. Zhang Zhongli, president of the Shanghai Academy of Social Sciences, said he will make four proposals for enacting laws concerning touring, protection of consumers' rights, securities trading and technology export.

National Committee Session To Last 13 Days

OW2203083991 Beijing XINHUA in English
0829 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—Members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), known as the "brain trust" of the Chinese Government, will meet to discuss the major plans and policies for China's development in the 1990s tomorrow through April 4, a CPPCC spokesman said here today.

Speaking at a news briefing this afternoon, Lu Zhichao, spokesman for the Fourth Plenary Session of the Seventh National Committee of the CPPCC, announced that the coming session will last 13 days.

He reviewed the political consultation and democratic supervision conducted by various democratic parties and persons without party affiliation under the CPPCC in the past year.

Since March last year, the standing committee and special groups of the CPPCC National Committee have prepared 36 motions and investigation reports. members of the CPPCC national committee have put forward 1,915 proposals, of which 1,905 have been handled by relevant departments.

Meanwhile, 401 members in 13 batches have inspected 12 provinces and municipalities and compiled 13 reports. Other members have also conducted inspections in their localities and put forward suggestions for local development.

The Central Committee of the Chinese Communist Party and the State Council have attached great importance to the reports, proposals and opinions raised by the CPPCC National Committee members. Some of them have been adopted in the relevant plans, resolutions and policies, Lu said.

On promoting the national reunification, Lu said that the CPPCC National Committee has played host to 39 delegations and groups from Taiwan with 800 people.

The CPPCC National Committee has invited delegations from nine countries, sent three delegations to visit four countries and have contacts with diplomatic, economic and cultural delegations from 51 countries and regions.

Lu said that the coming session will examine and approve the work report of the Standing Committee of the CPPCC National Committee and the report of the proposal-handling committee of the CPPCC National Committee.

The members of the CPPCC National Committee will hear and discuss the State Council's report on China's 10-Year Development Program (1991-2000) and the Eighth Five-Year Plan (1991-1995), the report on the plan for 1991 national economic and social development, and the report on state budget for 1991.

CPPCC Plays Important Role in Decision Making

OW2203112491 Beijing XINHUA in English
1054 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—The National Committee of the Chinese People's Political Consultative Conference (CPPCC) has taken an active part in multi-party cooperation and political consultation on major state affairs and many of its proposals have been adopted by the Communist Party of China (CPC) Central Committee and the State Council in their decision making.

Lu Zhichao, deputy secretary-general of the CPPCC National Committee and spokesman for the CPPCC annual session to begin tomorrow, told a press conference here this afternoon that the CPPCC Standing Committee held two meetings to discuss the proposals by the CPC Central Committee on the formulation of the Ten-Year Development Program and the Eighth Five-Year Plan and the outlines of the program and plan worked out by the State Council, China's central government.

The CPPCC, formed by representatives from the Communist Party and non-communist parties, persons without party affiliation and individuals from different walks of life, is considered as the principal form to practise multi-party cooperation.

Lu said that the proposals of the CPPCC National Committee members focused on how to develop agriculture, how to improve the economic efficiency of the state-owned enterprises, how to develop the regional economies in a balanced manner and especially how to develop science and education. Many of the proposals have been reflected in the proposals and the outlines to be submitted to the forthcoming annual session of the National People's Congress for approval.

Zhao Weizhi, a vice-chairman of the "September 3" Society, one of China's eight non-communist parties, added that the CPC Central Committee has held important consultations with leaders of the non-communist parties on at least three occasions.

The first one was on October 22-23 last year, when General Secretary Jiang Zemin invited chairmen of all the non-communist parties to discuss the thoughts for the Ten-Year Development Program and the Eighth Five-Year Plan.

The second forum was held on December 17 last year and hosted by Qiao Shi, member of the CPC Political Bureau Standing Committee. The discussion was focused on the proposals of the CPC Central Committee on the development program.

The latest was in early March this year when the CPC United Front Work Department invited more leaders of the non-communist parties to discuss for three days on the outlines of the Ten-Year Development Program and the Eighth Five-Year Plan.

He said that the non-communist parties noticed that all the suggestions they raised have been reflected in one way or another in the final version of the outlines of the Ten-Year Development Program and the Eighth Five-Year Plan.

Li Xiannian Attends CPPCC Committee Meeting

OW2203023091 Beijing XINHUA Domestic Service
in Chinese 1230 GMT 19 Mar 91

[By reporters Zou Aiguo (6760 1947 0948) and Zhu Guoxian (2612 0948 6343)]

[Text] Beijing, 19 Mar (XINHUA)—The 13th Session of the Standing Committee of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] closed this afternoon at the CPPCC auditorium after successfully completing the preparations for the Fourth Session of the Seventh CPPCC National Committee.

Li Xiannian, chairman of the CPPCC National Committee, attended the session. Wang Renzhong, vice chairman of the CPPCC National Committee, presided over today's session.

The session approved the draft agenda and draft timetable of the Fourth Session of the Seventh CPPCC National Committee and will submit the two drafts to

the Fourth Session for discussion. It also approved a work report by the Standing Committee of the Seventh CPPCC National Committee to the Fourth Session of the Seventh CPPCC National Committee, approved namelists of newly elected members of the Seventh CPPCC National Committee, approved a report by the CPPCC Motions Committee on the handling of motions since the Third Session of the Seventh CPPCC National Committee, approved ways to form groups at the Fourth Session and a namelist of conveners for group discussions, approved namelists of newly elected vice chairmen and members of some special committees of the CPPCC National Committee, and elected Yan Ying (7051 4481) vice chairman of the Economic Committee, Wu Qinglong (0702 1987 1749) vice chairman of the Law Committee, and Wang Qingshu (3769 1987 3219) vice chairman of the Women and Youth Committee.

As Qian Jiaju and Fan Zeng seriously violated the "Constitution of the CPPCC," the session, based on Article 28 of the Constitution, decided to dismiss Qian Jiaju as member of the CPPCC National Committee and of member of the CPPCC National Committee Standing Committee, and from other posts to which he was appointed by the CPPCC National Committee Standing Committee; and to dismiss Fan Zeng as member of the CPPCC National Committee.

Song Demin, acting secretary general of the CPPCC National Committee, made a report and gave an explanation at the session on the Standing Committee's examination of various documents and its discussion of the namelists of newly elected members and of new personnel appointments.

Vice chairmen also attending today's Standing Committee session included Hong Xuezhi, Gu Mu, Yang Jingren, Zhou Peiyuan, Wang Guangying, Deng Zhaoxiang, Qu Wu, Ma Wenrui, Qian Xuesen, Qian Weichang, Hu Sheng, Sun Xiaochun, Lu Jiaxi, Qian Zhengying, Su Buqing, Ismail Amat, Hou Jingru, and Ding Guangxun.

779 Reporters To Cover NPC, CPPCC Sessions

OW2103165391 Beijing XINHUA in English
1510 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—A total of 779 reporters from both home and abroad have been approved to cover the forthcoming annual session of the National People's Congress (NPC) and of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

The annual sessions of the CPPCC National Committee and the NPC are to begin respectively this Saturday and next Monday.

According to an organizer of the press center of the two sessions, 25 correspondents are from Taiwan, a rise of 12 compared with the number covering last year's sessions, nearly 50 from Hong Kong, and some 170 representing foreign press agencies.

Over 70 home press agencies despatch [as received] 530 reporters to cover the coming sessions.

The press center, located in eastern Beijing's Jingguang New World Hotel, is being installed with necessary equipment for foreign correspondents such as fax machines, copiers and international telephone lines.

Zhou Chengkui, the center's deputy director, revealed that his center will sponsor a series of press conferences in the Great Hall of the People where leaders of the central government and ministries as well as non-communist parties will answer questions.

Meanwhile, he said, the center will also arrange news briefings in Jingguang Hotel for correspondents from Taiwan, Hong Kong and Macao as well as foreign correspondents.

Forum Marks 70th Anniversary of CPC's Founding

HK2203065791 Beijing XINHUA Domestic Service
in Chinese 0703 GMT 21 Mar 91

[Report by Dou Guangsheng (4535 1639 3932): "Working Committees of Departments Under Party Central Committee and Central State Organs Hold Symposium on 'Seven Decades of the CPC'"—XINHUA headline]

[Text] Beijing, 21 Mar (XINHUA)—The CPC Central Committee Institutions Working Committees and the central state organs' CPC working committees are jointly holding a symposium on the topic of "Seven Decades of the CPC," which began today.

The main lecturers and speakers at the symposium are 10 famous party history experts who wrote the book, "Seven Decades of the CPC."

The symposium will systematically recount the CPC's brilliant struggle over the past 70 years since its founding and the great victories won by the Chinese people of all nationalities under the party's leadership in the new democratic revolution and in socialist revolution and construction, realistically comment on major events and important figures in party history on the basis of summing up the party's fundamental historical experience, and pertinently reply to questions about party history raised by cadres and the masses. Those attending the symposium lectures are mainly backbone officials in organizing theoretical study in central party institutions and state organs. Through attending the lectures and the discussion sessions, they will play a role in promoting the systematic study of party history and party building theory in the second half of this year for their parent organizations.

Today, the opening ceremony was chaired by Li Mingyu, deputy secretary of the CPC Central Committee Institutions Working Committee; Sha Jiansun, professor and deputy director of the CPC Central Committee Party History Research Office, gave the first lecture, entitled "The Founding of the CPC."

Gu Yunfei, permanent deputy secretary of the CPC Central Committee Institutions Working Committee, also gave a speech at the opening session. He said: When studying the CPC's history, we should stress three aspects in order to deepen our understanding. First, to deepen the understanding of the forming process and the objective inevitability of the CPC's leading position and nucleus role. Second, to deepen the understanding of the point that the combination of the basic principles of Marxism-Leninism with China's practice of revolution and construction constitutes the foundation for the party's successes. Third, to deepen the understanding of the great importance of strengthening party building and maintain close party-mass relations. He said that the study of the CPC's history should be combined with efforts to clearly understand the new situation in our country's reform and opening up, and the study of party history should help keep a firmer conviction of communism, strengthen the confidence in building socialism with Chinese characteristics under the party's leadership, and encourage the people to work hard to achieve our socialist modernization construction's second-phase strategic objective.

Li Peng Greets Award-Winning Enterprises

OW2103153691 Beijing XINHUA Domestic Service in Chinese 1227 GMT 20 Mar 91

[By reporter Yang Like (2799 3810 4430)]

[Text] Beijing, 20 Mar (XINHUA)—A ceremony was held in Beijing today to issue awards (Golden Globe Awards) to winners of the fourth national selection of the outstanding entrepreneurs and (Golden Horse Awards) to outstanding enterprise management winners of fiscal year 1990. Premier Li Peng wrote the ceremony a letter of congratulation.

Premier Li Peng said in the letter: State-run enterprises, particularly large and medium state-run key enterprises, being the main pillar of national economy and the major source of state revenue, must try by every possible means to improve their economic efficiency in a down-to-earth way. In the course of deepening reform, improving management, and achieving scientific and technological progress, the award-winning enterprises have done a great deal of work to tap potential and enhance economic efficiency. They have accumulated valuable experience which merits popularization. I hope that the award-winning enterprises and entrepreneurs will continue to work hard to make new and greater contributions during the "quality, variety, and efficiency year" campaign.

Tianjin Railway Sub-bureau and nine other outstanding enterprises won Golden Horse Awards. Wang Zhongyi, director of Anshan Chemical Fiber and Woolen Textile Mill, and 19 other outstanding entrepreneurs won Golden Globe Awards.

The award-winning enterprises and entrepreneurs made a "proposal on deepening the 'quality, variety, and efficiency year' campaign" to plant directors (managers)

of large and medium state-run enterprises across the country. The proposal calls for plant directors (managers) of large and medium state-run enterprises across the country to play a backbone role, solve problems for the country, establish a dynamic market thinking, enhance the adaptability of their enterprises, deepen enterprise reform, enhance the vigor of their enterprises, improve enterprise management, accelerate the technological progress of their enterprises, do a good job in building spiritual civilization, and cultivate an enterprising spirit of unity and progress.

Gu Mu, Deng Liqun, Lu Dong, Yuan Baohua, and other responsible persons of the departments concerned attended the ceremony today.

Peng Zhen Inspects Nuclear Power Plant Project

OW1703112091 Beijing XINHUA Domestic Service in Chinese 1523 GMT 15 Mar 91

[By reporter Huang Guowen (7806 0948 2429)]

[Text] Hangzhou, 15 Mar (XINHUA)—Comrade Peng Zhen braved a drizzling spring rain and made an inspection tour of the worksite of the first-phase project of the Qinshan Nuclear Power Plant, located on the bank of Hangzhou Wan.

Holding in hand a schematic drawing showing the nuclear power plant's layout, Comrade Peng Zhen visited the plant's exhibition hall and main control room and the reactor building. In the exhibition hall, he looked at a model of the plant and asked a responsible comrade of the Qinshan Nuclear Power Corporation about the progress made in building the nuclear power plant. In the main control room, he inquired in detail about the construction work and the adjustment and testing of the equipment. When he was told that the thermal-state adjustment and testing had almost been completed and the entire adjustment and testing work was progressing smoothly, he was quite delighted. He encouraged the comrades to continually work in concert to solve key problems so that the plant would become operational and generate electric power at an early date. In addition, he stressed again and again the need to guarantee safety in operating the plant. Then, braving the rain, he climbed the 45-meter-high platform located on a mountain slope to get a bird's-eye view of the first-phase project of the Qinshan Nuclear Power Plant.

In a joyful mood, Comrade Peng Zhen wrote an inscription for this nuclear power plant. The inscription read: "The Qinshan Nuclear Power Plant is a pathbreaker for the peaceful utilization of nuclear power in our country. Every effort should be exerted to ensure safety in its operations. This is a matter of great importance."

Among those accompanying Comrade Peng Zhen on this inspection tour was Li Zemin, secretary of the Zhejiang Provincial CPC Committee.

Prosecutorates Handle More Complaints, Appeals

OW2103132591 Beijing XINHUA in English
1144 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—Chinese procuratorates have set up over 2,670 offices employing a total staff of 10,700 to handle complaints and appeals.

According to Luo Ji, director of the Appeals Office under the Supreme People's Procuratorate, the figures are respectively 47.5 percent and 61 percent higher than in the past four years.

Speaking at the closing session of a national procuratorates conference here today, Luo said the increased number of offices has provided more protection for innocent people and increased the efficiency of pursuit of criminals.

Over the past four years procuratorates at all levels have handled over 151,000 appeal charges and cases, four times more than the figure four years ago.

Luo is satisfied with the procuratorates' work. Listing the Longyan Procuratorate of east China's Fujian Province as an example, he said it had handled 103 appeal cases over the past four years.

It is learned that China is drafting new regulations on appeals to help safeguard citizens' legal rights.

The country now has 3,340 procuratorates.

'Pen Talk' on Combining Socialism, Opening Up

HK2103144191 Beijing RENMIN RIBAO in Chinese
15 Mar 91 p 5

[“Pen Talk” under the heading “Only Socialism Can Develop China” by Yao Meizhen (1202 2734 6966), professor of Wuhan University: “The ‘Foundation of a State’ and the ‘Road to a Powerful Country’ Complement Each Other”]

[Text] China's choice of moving onto the socialist road is an historical necessity, and persistently carrying out reform and opening up is an important measure for continuously perfecting the socialist system. The four cardinal principles constitute the foundation of the state, while reform and opening up form the road leading to a powerful country. The two sides complement each other, and the former is of fundamental importance.

Since the Third Plenum of the 11th CPC Central Committee, our country has taken opening up as a long-term basic national policy, because this is the need of our socialist modernization construction. In the past 11 years, our country has made marked achievements in the aspect of opening up, using foreign funds, and expanding foreign trade; however, mud and sand are carried by the rushing torrents. With the introduction of advanced technology, equipment, and management skills from abroad, it is inevitable that some unhealthy and pernicious things are also brought in and cause confusion in

people's minds. Some people only see the advantages of some advanced things from abroad and do not notice the whole picture. They think that all foreign things are good, and nothing in China is good. As a result, they fail to distinguish what is beautiful from what is ugly and distinguish the right from the wrong. They do not see the advantages of our country and our socialist system, and admire everything from abroad. When facing the good situation in opening up, they lose their bearings. This is a dangerous deviation from the socialist principle.

First, reform and opening up constitute the socialist system's self-improvement and self-development and serve the purpose of consolidating socialism. Reform and opening up must not lead to a shift to capitalism or bourgeois liberalization, much less should they be regarded as something like “wholesale Westernization.” Through reform and opening up, we shall absorb things favorable to our cause and discard the unfavorable things. The sole criterion for making such selection is the four cardinal principles and the needs in our socialist construction. If we “open up and introduce foreign things” without regard to this criterion, we will inevitably achieve negative results. The painful experience of losing our nation's sovereign rights and incurring national humiliation remains in our memory. From the Late Qing to the period of Kuomintang rule, imperialist capital made inroads into China supported by gunboat policy, and ran amok in China without scruples. Such foreign companies and banks as Jardine, Swire, Mobil Oil, First National, and Riqing [2480 3237] crazily plundered China's resources and exploited the Chinese people through building railways, opening mines, setting up banks, running factories, monopolizing river shipping, controlling China's maritime customs and postal services, and seizing concessions and dividing spheres of influence in China. Such colonialist infiltration and control by foreign capital pushed old China into the abyss of misery as a semi-colony.

By comparison, today, under the socialist principle and system, we open up to the outside world on the basis of self-reliance. According to the principle of equality and mutual benefit, we welcome foreign investment in running enterprises; however, we must control the direction of foreign investment, and our socialist modernization principles and economic development strategy constitute the criteria for deciding the scope and orientation of the foreign investment. To broaden the channels for absorbing foreign funds, we have also set up special economic zones and economic-technological development zones. We also allow foreign investors to undertake contracts to develop whole stretches of land; however, these are not special political zones or concessions. This never means that we cede the land to foreigners. All such zones are still under the jurisdiction of our sovereignty and our country's legal system. The foreign funds are used to serve our own purposes and serve our socialist construction cause. Only by adhering to the socialist orientation can all this be guaranteed. If bourgeois liberalization had been effected as some people advocated, the introduction of foreign capital would have inevitably shifted to serve capitalism. In the early years of the

Soviet regime, Lenin adopted the opening-up policy and the leasing system for the purpose of developing socialism. At the same time, he also paid close attention to the negative side of those policies and pointed out that the adoption of the leasing policy might bring certain capitalist habits to cities and might corrupt the peasantry, so supervision must be strengthened and the regime must use its communism to offset the negative influence. We should bear in mind Lenin's instruction.

Second, in the course of opening up, we always maintain the principle of mainly relying on our own strength and effort and taking external assistance as a supplementary means. Self-reliance is closely linked with the continuous implementation of the reform and opening-up policy and with the adherence to the four cardinal principles. Without independence and self-determination, it will not be possible to build socialism. If everything is subject to foreign control, how could we use foreign capital for our own purposes? The rulers in Old China took foreigners as their masters and were slavishly dependent on foreigners' mercy, and this brought China's national industry to the brink of collapse. Our own strength includes both material and spiritual strength, and the most important thing is the rallying force of socialism. Only with this force can we adhere to the socialist orientation and keep our independent footing in the family of nations in the world. Precisely because we always adhere to the principle of independence, self-determination, and self-reliance, all external interferences, embargoes, and sanctions against us ended in failure.

Third, the practice of opening up will also continuously change and improve according to the needs in the development of the situation. In our country's economic exchanges with Western countries, we are faced with problems caused by the lack of experience and also with problems caused by the structural contradictions. For example, there is the contradiction between socialist public ownership and capitalist private ownership, the contradiction between the socialist economic management system and the capitalist economic management system, the contradiction between the socialist planned economy and the capitalist market economy, the contradiction between the socialist labor system and the capitalist labor system, and various contradictions in the ideological field. These contradictions have brought about many problems that need to be solved and adjusted; however, the problems are just difficulties in practice, and they are not relevant to the transformation of the socialist system. Countries under different systems may carry out economic exchanges under the premise of seeking common points while reserving differences. In the past 11 years of opening up, our country not only adhered to the socialist principle but also carried out the principle of equality and mutual benefit. We effectively made use of large amounts of international capital under the structure of the socialist planned commodity economy. Foreign investors generally acknowledge that there is a favorable and stable investment environment in our country and that our country is further broadening the scope of opening up. All these facts effectively refute various fallacies about liberalization and privatization.

'Pen Talk' Affirms Marxism's Leading Position

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in Chinese 15 Mar 91 p 5

[“Pen Talk” under the heading “Only Socialism Can Develop China” by Wang Zhaoxing (3769 0340 2502), professor of Wuhan University: “Refuting the ‘Theory That Truth is Pluralistic’”]

[Text] Whether to insist on the leading position of Marxism is a crucial question of right or wrong which affects the future of the development of the party and state. It is also the focus of Marxism's protracted struggle with opportunism and revisionism in the international communist movement. Consequently, the different bogus socialisms in the international scene as well as the bourgeois liberal ideas in our country all sought first to firmly negate the leading position of Marxism.

People who uphold a bourgeois liberal position said: “Truth is pluralistic, and Marxism can only be one unit of the pluralist truth. It may only be on par with the other doctrines and has no right to a leading position.” They added: “Of the hundreds of schools of thought under study, Marxism at most is merely one school of thought and cannot claim to have a leading position above all others.” This kind of talk goes on and on.

How should this so-called “theory of pluralist truth” be regarded? Marxism does not deny the truthfulness of each and every concrete natural and social science. But as a world outlook, a doctrine on social development and a doctrine on the conditions for the emancipation of the proletariat, Marxism possesses the value of universal truth. While other philosophies and social doctrine may also contain certain elements of truth, generally speaking, they do not have the value of universal truth, and therefore cannot be mentioned on the same breadth as Marxism. The essence of the so-called “theory of pluralist truth” lies in negating and abolishing the leading position of Marxism, winning for some anti-Marxist theories a legitimate status in order to contend with and eventually replace Marxism.

Marxism is the ideological system of the proletariat. Therefore, after the proletariat has won political power and become the ruling class, occupying a dominant position in the country's life and turning into a material force with ruling position in society, Marxism will naturally also become the spiritual strength occupying a dominant position in society. Consequently, just as the ideological system of the slaveowners' class was the guiding ideology in a slave society, the ideological system of the feudal lords' class was the guiding ideology in feudal society, and the ideological system of the bourgeoisie was the guiding ideology in capitalist society, so Marxism as the ideological system of the proletariat will naturally become the guiding ideology in a socialist society—it goes without saying that this is a totally normal and rational phenomenon. However, while some

people have no argument with the former case, they strongly criticize and attack the latter case. Is this a fair and solemn attitude?

The historical fact gathered from the international communist movement has shown that insisting on the leading position of Marxism is an impregnable truth. Whoever violates this truth will suffer the consequences. If the leading position of Marxism is abolished, there can be no talk of socialist future, and the gains achieved by the working class and the great mass of people through their valiant struggle in the revolution and construction will go to naught. The reason that imperialism and all antisocialist forces have exerted effort to attack and negate the leading position of Marxism is because their ultimate goal is for socialism to evolve peacefully into capitalism.

The political upheaval in our country during last year's spring-summer junction and the dramatic changes in East Europe in autumn and winter last year have all proven this point. We should firmly remember this profound but painful historical lesson.

RENMIN RIBAO on Procedural Law Issues

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10 Mar 91 p 5

[Article by Xiao Xun (5618 1493): "Several Questions Concerning the Administrative Procedural Law"]

[Text]

I. First, Why Should We Draw Up the Administrative Procedural Law?

Ours is a unified and stable socialist country. However, this does not mean that contradictions no longer exist in our society. In our country, besides contradictions between ourselves and the enemy, there also exist various contradictions among the people. One aspect of the contradictions among the people in our country is manifested by contradictions between state administrative organs and personnel in administrative organs who exercise their administrative powers and functions; and citizens, legal entities, and other organizations who are subject to supervision. Legally, such contradictions are called administrative disputes or administrative controversies. Being objectively present in realities, administrative disputes will exert a more extensive impact compared with civil disputes. Because they usually arise in the recognition, management contract, land, sanitation, taxation, prices, and other aspects of business bodies, administrative disputes will inevitably involve the implementation of the party's principles of reform and opening up, as well as social stability. Therefore, the correct handling of contradictions among the people is the need of the social development of our country, and also a major subject which must be studied and dealt with.

Comrade Mao Zedong said: The method of resolving contradictions among the people is to "start from the desire for unity, resolve contradictions through criticism or struggle, and arrive at a new unity on a new basis." Undoubtedly, this

is also the method of resolving administrative disputes. With the thorough development of our country's building of the administrative legal system, administrative disputes are essentially legal disputes, and the rights and wrongs waiting to be distinguished are virtually legal ones. Therefore, administrative procedure can serve to be one of the means to distinguish right and wrong of all parties involved in administrative disputes to enable them to arrive at a new unity on a new basis. Supervision exercised by the party, the People's Congress, and by administrative organs at higher levels to those at lower levels can all serve to be means of resolving administrative disputes. Administrative procedure is only one, not the sole, among the various means. Administrative procedure is featured by the ability to, in line with the procedures stipulated by law, legally distinguish right and wrong, resolve disputes, and strengthen unity. Through administrative procedure, administrative organs can be urged to exercise their powers according to law, protect the citizens' legal rights and interests other than illegal activities, and improve the relations between administrative organs and the masses of the people to bring about further stability to our society.

Administrative procedure refers to activities of hearing and resolving administrative cases, which are supervised by a people's court and attended by parties of a lawsuit. The Administrative Procedural Law is not administrative procedure, but legal procedural rules and regulations which should be observed during administrative procedure. Only with the rules and regulations of the Administrative Procedural Law can administrative procedure be carried out in a correct way and given due play to its role.

Now that administrative procedure aims to resolve administrative disputes, why is only the party of citizens, legal entities, and other organizations in a dispute allowed to be the plaintiff while the other party of administrative organs, the defendant? This is because the law has already entrusted administrative organs with the right to resolve administrative disputes, that is, if they consider themselves violating the law, administrative organs have the right to change or abandon their own actions; but if they think that they act according to the law, they also have the right to insist by lawful enforcement or by applying to the court for enforcement. They should exercise their own powers and functions to "uphold the truth and correct their mistakes," but not bring before the court problems which can be resolved by themselves. However, the fact that administrative organs have the right to resolve disputes neither means that all disputes can actually be resolved in reality, nor that their resolutions are correct. If one party refuses to accept the ruling of administrative organs and maintains that the organs have violated the law, then administrative disputes still remain unresolved. Under such circumstances, citizens, legal entities, or other organizations should obey the ruling of administrative organs, for they have no right to resolve disputes themselves. That is why the Administrative Procedural Law is drawn up, which provides citizens, legal entities, and other organizations with a remedial measure after the event, or we can call it a relief measure enabling

them to exercise their democratic rights to resolve administrative disputes, and protect their legal rights and interests through lawsuit procedures.

II. About the Principle of the People's Court in Examining the Legitimacy of Specific Administrative Activities

Administrative procedure evolves from administrative disputes in which the plaintiff takes legal proceedings. During the procedure, a people's court with the state jurisdiction encounters with administrative organs which are entrusted with state administrative powers. This gives rise to a question as to how to handle the mutual relations between these two big powers during a lawsuit.

Article 5 of the Administrative Procedural Law stipulates: "In its hearing of administrative cases, a people's court examines the legitimacy of specific administrative activities." This serves to be a major principle in the Administrative Procedural Law concerning the resolution of the relations between the two powers.

According to this principle, during a lawsuit, jurisdiction is superior to administrative power, because the people's court is empowered by the National People's Congress to examine, reaffirm, or abandon the activities of administrative organs being accused. Therefore, the legal effect of judicial judgment is greater than that of activities carried out by administrative organs. However, also according to this principle, the superiority of jurisdiction over administrative powers can only take place in certain scenes, scopes, and depths, that is, only at the depth of examining and investigating the legitimacy of cases during administrative procedure within the scope of responsibility of the people's court to accept and hear cases.

The activities carried out by administrative organs can be divided into administrative and nonadministrative ones. Administrative activities refer to those carried out by administrative organs, which are backed by the state coercive power, in exercising the state administration powers and functions. Administrative activities can also be divided into abstract and specific ones. The former refers to those administrative activities of administrative organs which aim at specified events or individuals and can only be carried out once; while the latter, those activities with unspecified objects which can be repeatedly carried out. In a case wherein a price bureau imposes a fine on a certain iron and steel company for its unlawful practice, the penalty is a specific administrative activity, while the penalty clauses formulated by the price bureau is an abstract administrative activity. It is stipulated in Articles 67 and 89 of our country's Constitution, as well as in relevant articles of the Organizational Law of local people's congresses and local people's governments at all levels: The right to examine the legitimacy of abstract administrative activities such as administrative laws, rules, and regulations should be exercised by the people's congresses and their standing committees at all levels, as well as administrative organs

of higher authorities responsible for document formulation, therefore, the examination on the legitimacy of abstract administrative activities does not fall into the scope of responsibility of the people's court during administrative procedure. Moreover, the people's court has no right to examine all specific administrative activities, for example, it is inadvisable for the people's court to examine the legitimacy of administrative organs' activities of rewards, punishments, appointments, and removals concerning their working staff. On issues whether or not specific administrative activities infringe upon the political rights of citizens, legal entities, or other organizations, such as freedom of the press, only when it is empowered by the legal stipulations in the Law of the Press can the people's court examine such issues. According to the stipulation in Article 11 of the Administrative Procedure Law, the scope of responsibility of the people's court is to examine whether or not specific administrative activities unlawfully infringe upon the personal and property right of citizens, legal entities, or other organizations. To be exact, it is the responsibility of the people's court to hear and accept suits brought to court by citizens, legal entities, or other organizations, who have the right to start legal proceedings if they refuse to accept the following specific administrative activities:

- 1) Administrative activities of punishment, including administrative detention, penalty, revoking driving permits and licenses, an ordered halt in production and business, and confiscation of properties.
- 2) Administrative measures of enforcement, referring to coercive measures of limiting personal freedom such as reeducation, take-in investigation, and some other compulsory measures such as sealing up and confiscating, detaining, and freezing properties.
- 3) Activities infringing upon the operational autonomy stipulated in the law.
- 4) Activities of competent authorities refusing or making no reply (that is, attempting and accomplishing nothing) to applications of citizens, legal entities, or other organizations for issuance of permits and licenses, and for protection of personal or property rights.
- 5) Activities failing to extend pension according to the law.
- 6) Illegal activities demanding fulfillment of obligations, such as arbitrary imposition of fees and various apportionments of expenses.
- 7) Activities infringing upon other personal and property rights.

The "illegal" and "infringe upon" mentioned above are the views of citizens, legal entities, or other organizations, and whenever they feel it necessary, they can exercise their right to start a legal action, which the court should accept. However, the right of prosecution does not mean a sure win, and it is also possible that the plaintiff will lose the case if

specific administrative activities are proved legal by the people's court upon examination.

There are both legal and illegal administrative activities, and the former can also be divided into appropriate and inappropriate ones. The examination of the people's court on specific activities is mainly confined within the limits of legal and illegal activities, and only when it is specially stipulated in the law can the people's court enter the depth to examine the appropriateness or inappropriateness. It is a principle repeatedly emphasized by the central authorities and established by the Constitution that administrative organs should "administrate according to the law," and the Administrative Procedure Law is the legal guarantee of the implementation of this principle. Therefore, it is stipulated in the first article of the Administrative Procedure Law that one of the important goals in formulating this law is to "safeguard and supervise administrative organs in their exercise of administrative powers and functions." The content of examination on legitimacy includes the following: 1) Whether or not specific administrative activities are carried out in accordance with the Law of Entity; 2) whether or not administrative organs observe legal administrative procedures of law enforcement; and 3) whether or not they exercise their powers and functions according to the law, and whether or not there are any activities of overstepping, abusing, and failure in exercising their authorities. Accordingly, the people's court mainly employ the following forms of judgment: The court will decide to abandon illegal specific administrative activities and preserve legal ones. According to Article 54 of the Administrative Procedure Law, only when administrative punishment is proved unfair, that is, seriously improper, can the people's court decide to alter it.

III. About the Plaintiff and the Defendant

Generally speaking, citizens, legal entities, or other organizations (referring to those organizations which are not qualified to be legal entities, such as the preparatory offices of enterprises and solely-owned private enterprises) can all be the plaintiff in administrative procedure. However, in dealing with a specified administrative activity, only the relevant administrative persons of that activity can be the plaintiff, that is, the direct undertakers of the legal consequences of that activity. Legal consequences refer to the gain, loss, and change of rights and obligations, while direct undertakers mean the objects of an activity rather than persons affected by the consequences of the activity. Although "different people have different views" on an activity, or some people even take up the cudgels for the injured party, they do not possess the qualification of the plaintiff. To be concrete, the plaintiff can be someone who is subjected to administrative punishment; who is subjected to administrative coercive measures; who insists that administrative organs infringe upon his operational autonomy; who submits to administrative organs applications for the issuance of permits and license, or for protection of his personal and property rights; who

considers that administrative organs fail to extend pensions to him according to the law; and who holds that administrative organs violate the law when they ask him to fulfill certain obligations. In short, all relevant administrative persons who consider that specific administrative activities have infringed upon their personal and property rights are qualified to be the plaintiff.

It is stipulated by relevant laws that if the infringed refuses to accept administrative punishment, he is also qualified to be the plaintiff and has, therefore, the right to take a legal proceeding. The infringed refer to those who are infringed upon by persons executing the punishment, for example, in a case wherein A beats B up and A is slightly injured, A is the person who should be subjected to administrative punishment while B is the infringed. The punishment of A serves as a protection of B's rights and interests. This example shows that if a specific administrative activity has a specified object of protection, this person is also a relevant administrative person; and if he considers that the activity of punishment carried out by administrative organs fails to serve as a protection to him, he also has the right to take legal actions. Under another situation, as an applicant, if the infringed applies to a competent authority for protection of his personal and property rights, but that authority refuses to protect or gives no reply to him, the infringed is also qualified as the plaintiff. By acting as the plaintiff in an legal action, the infringed can prevent administrative organs from unprincipledly accommodating those who infringe upon his rights and interests, and urge administrative organs to observe the principle that "there must be law to observe and lawbreakers must be severely punished."

The plaintiff should bring his case to the people's court which possesses judicial power. Generally speaking, the court with judicial power refers to grass-roots people's courts in places where the defendant is located.

Specific administrative activities are made in the name of certain administrative organs. These organs are the defendant. If the activities are carried out by a staff member of a certain administrative organ, the staff member himself is not the defendant, but the administrative organ in which he is working. In a case when the plaintiff first asks the higher authorities of an organ which carries out a specific administrative activity to reexamine the activity, but later refuses to accept the ruling of reexamination, who is the defendant then? The Administrative Procedure Law stipulates that if the higher authorities decide to maintain the activity of a lower-level organ, the latter will be the defendant; but if the former decides to alter the activity, the former should be the defendant. It is also stipulated in the Administrative Procedure Law that if a specific administrative activity is carried out by two or more administrative organs, these organs are joint defendants.

In principle, a nonadministrative organ cannot be a defendant in administrative procedure. However, if he also enjoys some administrative powers and functions,

which are entrusted by the law and regulations, he is also qualified as a defendant. For example, although it is an institution, a sanitation and anti-epidemic station is entrusted with administrative power of punishment by the "Law on Food Hygiene (Trial)" and, therefore, it can also be a defendant. With the exception of this special case, when any nonadministrative organ carries out administrative activities in the course of exercising administrative powers and functions, the administrative organ which entrusts or allows this nonadministrative organ to exercise the power should act as a defendant.

The rights and obligations of the plaintiff and defendant during a lawsuit are identical in many ways, for example, they both have the right to argue and lodge an appeal, and should undertake the obligations of observing court orders and judgments. However, there are also differences between their respective rights, obligations, and responsibilities. For instance, if the people's court refuses to accept the suit brought before the court by the plaintiff, the plaintiff has the right to lodge an appeal while the defendant has not; when specific administrative activities continue to be carried out during a lawsuit, administrative organs have the right to put an end to these activities while the plaintiff can only apply for a court ruling to stop them; and administrative organs should undertake the responsibility of giving evidence, and if they fail to give evidence or if the major proofs they offer are found inconsistent with facts, the court should decide to abandon their activities in accordance with the stipulation in Article 54 of the Administrative Procedural Law, while the plaintiff has no such a responsibility. According to the stipulation in Article 32 of the Administrative Procedural Law, during a lawsuit, the defendant has no right to collect evidence from the plaintiff and witnesses by himself, because administrative organs should complete their evidence collection in their law-enforcing activities before, not after, a lawsuit, and without completing this procedure, they should not make any administrative rulings or adopt any administrative measures. The examination on the legitimacy of specific activities includes the examination on whether or not administrative organs observe legal procedures of administrative law enforcement. If the defendant is allowed to enjoy the right of collecting evidence during a lawsuit, this object of examination will lose shape, that is, the defendant is allowed to violate the legal procedure of "collecting evidence before making rulings" by "making rulings before collecting evidence"; moreover, it is also made possible for the defendant to win the lawsuit regardless of violations of the law. All this will be unfavorable to urging administrative organs to handle affairs according to the law, and protecting the legal rights and interests of citizens, legal entities, and other organizations; and will hinder the people's court from examining the legitimacy of specific administrative activities correctly.

IV. About Judicial Procedures

According to the Constitution and the Organization Law of the people's court, it is stipulated in the Administrative

Procedural Law that "open hearings" and "second and final instances" will be given on administrative cases.

In the first or second instance, mediation is not applicable in administrative procedure, because in its hearing of cases, the people's court mainly examines the legitimacy of specific administrative activities, and no mutual understanding and accommodation is necessary on the issue of legitimacy, therefore, the people's court does not need to use mediation when giving its rulings on legitimacy. "Mediation is not applicable" only refers to the people's court, and does not mean that parties concerned cannot reconcile differences among themselves. According to the stipulation in Article 51 of the Administrative Procedural Law, after the people's court passes its judgment or gives a ruling on the administrative case, if the defendant changes his specific administrative activities which are acceptable to the plaintiff, the latter can apply for an abatement of his legal action. However, this kind of reconciliatory activities should also be subjected to the examination and approval of the people's court. If the people's court discovers that the defendant illegally abandons his legal specific administrative activities, or that the defendant agrees to "reconcile" under the threat of the plaintiff, the people's court has the right to decide not to grant an approval for abatement of relevant action, and the case will continue to be heard.

If the parties concerned refuse to accept the judgment and adjudication of the court of first instance, they have the right to make an appeal within 15 days starting the arrival day of judgment notice, and within 10 days starting the arrival day of adjudication order. However, if they accept the judgment, or if they, though reluctant to accept the judgment, fail to make an appeal within the stipulated time limits, the judgment and adjudication of the first hearing will become legally effective. If the parties concerned refuse to accept the judgment and make an appeal within the stipulated time limits, the judgment and adjudication of the court of second instance will then legally effective as the final judgment and adjudication. Parties concerned should consciously observe the judgment and adjudication which have become legally effective, otherwise, the people's court will compel them to accept the judgment according to the law.

Not every effective judgment and adjudication is correct. If the parties concerned consider a judgment incorrect, what will they do? They have the right to demand supervisory procedures on the judgment: 1) They can make a petition to the original court or to a people's court at an immediate higher level; if the petition is reasonable, the people's court can rehear the case. 2) Because the People's Procuratorate enjoys the right to supervise administrative procedure activities, parties concerned can make a petition to the People's Procuratorate; and if it considers the original judgment and adjudication violating the stipulations of law and regulations, the People's Procuratorate has the right to lodge a protest against court judgment according to supervision procedures on hearing. All cases which are counterappealed

by the People's Procuratorate should be reheard. However, declarants should notice that judgments and adjudications which have become legally effective will continue to be executed during the petition period.

V. About Compensation

The plaintiff has the right to demand administrative organs for compensation if he considers that their specific administrative activities have infringed upon his lawful rights and interests, and brought about damage to him. The plaintiff can ask for compensation under the following conditions: 1) There must be an illegal specific administrative activity. If the activity is only an improper one, no compensation is to be made. 2) There must be consequences of damage. If consequences of damage have not actually taken place but are only a possibility, no compensation is to be made. For example, although it is an illegal activity that an administrative organ makes no reply to an application for business license, yet this activity does not actually bring about consequences of damage and, therefore, no compensation is involved on this issue. 3) There must be relations of cause and effect between an illegal specific administrative activity and consequences of damage. If such relations do not exist, no compensation is necessary.

The plaintiff can lodge a request for compensation through two channels: 1) Request for compensation can be lodged together with the lawsuit, that is, the examination on the legitimacy of specific administrative activities and the decision on compensation will be made in the same lawsuit, and resolved by the same judgment. 2) Request for compensation can also be lodged separately, which will be another lawsuit through different procedures, that is, parties concerned should first lodge their request to relevant administrative organs, and only when they refuse to accept the ruling of the administrative organs can they bring the case to court. The plaintiff should be the one to give evidence if he demands compensation, while the defendant should also give evidence if he has different views. This means that "whoever makes the demand should give evidence" instead of letting the defendant alone assume the responsibility of giving evidence.

When hearing a suit for compensation, the people's court can make mediation between the plaintiff and the defendant in order to bring about an agreement between the two on the basis of mutual understanding and accommodation. Mediation should be carried out in a legal way. If mediation does not work, the court should make a judgment. If mediation is successful, the court should issue a reconciliation notice, which will become legally effective immediately upon arrival at both sides, and should then be implemented by parties concerned.

VI. About Enforcement Procedures

If parties concerned fail to consciously observe judgment, adjudication, and reconciliation notice which have become legally effective, enforcement procedures

will be applied. Enforcement generally takes place at the request of one party concerned, and court of enforcement is the court of the first instance. However, if administrative organs enjoys legal power of enforcement, they can also exercise their powers and functions by enforcing obedience upon the plaintiff who fails to observe judgment and adjudication.

Military

Beijing To Build Military Training Bases

OW2103123891 *Beijing in English to Western North America 0500 GMT 21 Mar 91*

[From the "Current Affairs" program]

[Text] The Beijing Municipal Government has decided to construct a new military training base for university students before July. Five other similar bases for high school students will also be set up in the suburbs of Beijing this year.

Officials say they hope these measures will help students have a clearer understanding of the society and closer contact with the masses.

Beijing TV Shows Region Ground Troop Exercises

OW2103184991 *Beijing Central Television Program One Network in Mandarin 1100 GMT 21 Mar 91*

[From the "National News Hookup" program]

[Text] Performing duties strictly according to requirements is crucial for doing everything right. As long as we make earnest and unremitting efforts to carry out assignments strictly according to requirements, we can accomplish them effectively.

[Video shows a large formation of ground forces marching toward the camera, cutting to show shots of infantrymen taking positions at a firing range and shooting at targets; closeup shots of ground troops firing an assortment of light weapons; and medium closeup shots of military officers studying documents] A certain group army under the Beijing Military Region made genuine efforts to carry out its assignments strictly according to requirements. All officers and men in the group army made it a practice to perform their duties honestly according to instructions and make earnest efforts to learn the basics. Consequently, the group army has become noticeably stronger in all respects.

Since 1985, the party committee of the group army, which is an old unit with glorious traditions, has been leading all officers and men to carry out all major policies and instructions put forth by the Central Military Commission [CMC] and headquarters, including the CMC instruction that all assignments must be fulfilled earnestly. Following the instruction that attention must be focused on achieving long-term objectives, building a strong groundwork, and accomplishing

projects of overall importance, it displays the spirit of surmounting difficulties and striving to be champion, advanced group army, and an effective force. It also dares to expose problems and squarely face them. Consequently, all officers and men in the group army made it a habit to carry out all assignments and learn the basics honestly and earnestly according to requirements.

[Video shows a military officer presenting trophies to other officers, shots of officers standing on a stage and displaying banners about their meritorious services; shots of a group of soldiers jogging in snow with their weapons; shots of artillery forces operating a rocket launcher and other artillery pieces; shots of soldiers maintaining recoilless guns; shots of motorcyclists dashing through flames; shots of soldiers practicing martial arts and jumping over hurdles and other obstacles] To make sure that each and everyone in the group army is always politically qualified, the group army party committee intensified political and ideological education in the armed forces, and persisted in educating all officers and men on the four cardinal principles and revolutionary theories. This guaranteed the party's absolute leadership over the armed forces, maintained a high degree of stability and unity in the group army, and noticeably heightened the political awareness of officers and men. A large number of model collectives and individuals have come to the fore. In accordance with the strategic change of guiding thought in the armed forces, the group army, while focusing on military training to improve its combat readiness, has drawn up a

full array of preparedness plans. Meanwhile, over 83 percent of officers and men of companies under the group army have taken part in military training. During a 1989 test given by the headquarters and the military region, the group army's performance was outstanding in all 16 categories which were tested and won 11 of the 12 top honors. While implementing the outlines governing the construction of basic-level units, the group army, instead of waiting for support or copying others' examples, did its work creatively in accordance with its actual situation and came up with effective measures for implementing the outlines.

[Video shows medium closeup shots of soldiers firing with flamethrowers, cutting to show shots of infantrymen engaging in bayonet drill; soldiers crawling under barbed wires; and distant shots of artillery forces firing their artillery pieces; and closeup shots of arms-bearing ground troops goose-stepping] The group army party committee also made great efforts to make itself stronger and set good examples in performing its duties according to requirements. Working with one mind, party committee members of all terms have gone down to grass-roots units to help them improve their work. Their efforts forged unity between the upper and lower departments of the group army, boosted the morale of officers and men, and significantly changed the troops' outlook. By doing this, they created the momentum of making steady progress in all fields and made firm strides toward the revolutionization, regularization, and modernization of the armed forces.

East Region**Commentary Stresses Improving Public Order**

OW2103140891 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 19 Mar 91

[Station commentary: "Make Conceted Efforts and Pay Attention to Practical Results"; from the "Provincial Hookup" program]

[Text] Making comprehensive efforts to improve public order is a major task about which the masses of people are deeply concerned. Success in this task is of great importance to maintaining social stability and accelerating economic development. The whole party must take action and all the people must be mobilized to make concerted efforts to achieve fruitful results.

During the past few years, all localities in our province have done much fruitful work to implement the policy of making comprehensive efforts to improve public order. Moreover, through exploration they have achieved initial success in opening up a new path in this regard, that is, putting emphasis on cities, major towns, and main transportation routes, and using work in such places to motivate the vast countryside; taking prevention as the principal measure; and relying on the masses to prevent crime and improve public order. Now all aspects of the work of making comprehensive efforts to improve public order are developing in a healthy direction.

However, making comprehensive efforts to improve public order is a gigantic systematic project and is faced with a great variety of new circumstances and problems in the new situation of reform and opening to the outside world. Therefore, it requires a process of development and improvement in order to achieve remarkable results. At this time, the key task is to unify and heighten the awareness of the whole party with regard to the necessity and importance of making comprehensive efforts to improve public order in the new situation and to enhance the will of all social sectors and the broad masses to take part in this work. In particular, in the process of practical work party and government leaders at all levels should make clear and properly handle the relationship between making comprehensive efforts to improve public order and the task of economic construction, place the former high on their work agenda, and pay thorough attention to implementing the various measures, as required. They should see to it that economic construction and public order work promote each other and develop simultaneously. It is also necessary to deal properly with the relationship between striking at and preventing crime, to adhere to the principle of combining strike and prevention work, but with emphasis on prevention, and to make preventive work a real success. In addition, attention should be paid to dealing properly with the relationship between the large and small climates, to correcting the public-order-has-nothing-to-do-with-me attitude, and to upholding the concept that public order is a matter that

concerns everyone. While going all-out to strengthen the work of political and legislative affairs organs, it is imperative to mobilize the forces of all social sectors and rely on the broad masses to maintain public order.

Carrying out the principle that whoever is in charge should be responsible is the central task in making comprehensive efforts to improve public order. To carry out this principle in a down-to-earth way, all localities, departments, and units should undertake their respective responsibilities. Party committees and governments at all levels should be responsible for the public order in their respective areas. They should include the work of making comprehensive efforts to improve public order in the overall plans for building spiritual civilization in the next decade and during the Eighth Five-Year Plan; set up targets of tasks, duties, and demands; and make arrangements to meet these targets. All departments are requested to exercise their functions and play their roles to the full, take an active part in improving public order through comprehensive measures, and be responsible for the public security work of their subordinate units.

In making comprehensive efforts to improve public order, a system of responsibility to meet certain targets should be established at all levels so as to change this intangible work into a concrete task. A series of strict rules in this regard should be set up, as well, including rules for examination, supervision, work evaluation based on quantitative assessment, appraisal through comparison, as well as award and punishment. Party committees and governments at all levels should make a real effort to strengthen leadership over this work, pay attention to it, and take care of it. They should energetically attend to and undertake responsibility for the work at their respective levels and do it in a thoroughgoing way. The purpose is to see that the work of comprehensive efforts to improve public order is unfolded on a full scale at the grass-roots level and that it produces practical results.

Tongling City Solicits Public Support

OW2103150691 Beijing XINHUA in English
0712 GMT 21 Mar 91

[Text] Hefei, March 21 (XINHUA)—Increasing numbers of Chinese residents are directly involved in government affairs, and governments at all levels make it a point to solicit public suggestions and handle affairs on public support.

Earlier this year, the people's government of Tongling City, Anhui Province, published the draft of a plan concerning 16 issues closely related to the lives of its residents. The city government published the plan in a local newspaper in order to solicit opinions from the general public.

Tongling is one of China's key production bases for copper, chemicals and building materials.

On the opinions of the general public, the city government this week worked out its official plan concerning ten issues that it will handle this year.

Wang Yang, city mayor, said the government serves the people and will carefully listen to their voice and suggestions. The "residents' opinions are more practical than our plan."

Wang Juying, a local resident, said "the reason we pay attention to the government's plan is because it is for our good and is closely linked to our daily life."

Wang, a middle-aged female, expressed her hope that the city government will complete an expansion project of cooking gas facilities within the year.

The citizens' letters of reply revealed that 92.65 percent of Tongling residents share the same view as Wang.

Tong Bin, a young worker in the city, admitted that initially he did not understand the importance of the government's plan. However, he said "I asked myself to study it and give my opinions because the government so trusted us."

Tong suggested that the city should sponsor one or two national and international sports activities each year. When the letters of reply were counted it was found that most young people in the city agreed with Tong. The proposal was accepted.

However, a young miner from the Shizishan copper mine failed to have his proposal inserted. Refusing to talk about what his proposal was about, he said with a smile: "Although my suggestion has not yet been selected, I still feel good about the government attitude."

"The government is faced with many difficulties and has many things to do," the young man explained with understanding.

The mayor said that the ten issues chosen by the residents are major items that the government must accomplish during this year. He called on the government staff to do their best to solve problems in areas outside the ten issues, problems that concern the people's daily life.

Mayor Wang said that the Tongling City government has started work to improve the city's water and electricity supply, as well as for road expansion, and construction of residential quarters. All of these will benefit the residents, he said.

Fang Dianming, director of the city government office in charge of gathering public opinions, said that the government has received 2,100 letters of reply from city residents and that 81 percent have come from employees of enterprises.

The city government often receives telephone calls and letters from the broad masses of people who voice their opinions and views concerning major issues of the government.

Fu Xishou, governor of Anhui Province, said: "To increase the transparency of the government's work and to abide by the principle of consulting with the people on key issues will serve to improve the government's work

style and will enhance the people's enthusiasm for participating in government and political affairs."

The governor said that a number of cities in Anhui Province, including the provincial capital of Hefei, along with Wuhu, Anqing and Ma'anshan, are following the lead of Tongling.

Hefei To Build High-Tech Industrial Park

OW2103164891 Beijing XINHUA in English
1548 GMT 21 Mar 91

[Text] Hefei, March 2 (XINHUA)—China's central government recently approved a plan by which Hefei, the capital of east China's Anhui Province, will build a high-tech industrial park in the city.

The park, with a planned construction area of 100,000 sq m, will be located in the western suburbs of Hefei City. At present, 27 enterprises and institutes have applied for the right to set up in the park.

The park is one of the new and advanced technological development zones that will be set up in China in the next few years. It will receive preferential treatment from the state in regards to loans, taxation, exportation and new product development.

Jiangsu 1990 Economic Statistical Communique

OW2003192091 Nanjing XINHUA RIBAO in Chinese
8 Mar 91 p 2

["Communique From the Jiangsu Provincial Statistics Bureau on the Statistics of Provincial Economic and Social Development"]

[Text] Under the leadership of the provincial party committee and the provincial government, people throughout Jiangsu Province further carried out the policy of economic improvement and rectification and the deepening of reform, vigorously implemented the control of total supply and demand, readjusted a series of retrenchment measures, and worked to surmount difficulties encountered on the road of advance in 1990. As a result, progress was made in the building of the socialist material and spiritual civilization. The economy was stable throughout the province, the supply of commodities gradually improved, and the price-rising rate noticeably dropped. In addition, foreign trade expanded, and new achievements were made in various social undertakings. According to preliminary estimates, the total annual output value of goods and services for the province was 131.6 billion yuan, a 5.1 percent increase over 1989, and the total annual income for the province was 110.3 billion yuan, up by 4.7 percent compared with the previous year. The major problems in economic development were: a reduction in grain and cotton production owing to natural disasters, a decrease in economic efficiency, and large financial difficulties facing localities.

I. Agriculture

In 1990, governments at various levels throughout the province strengthened their leadership over agriculture, increased investment, and improved services in this regard. Thus, the province still reaped a fairly good harvest despite serious natural disasters. The province's total agricultural output value was 58.053 billion yuan, an increase of 2.5 percent over the previous year. Of this, the total output value of crop farming was 32.121 billion yuan, a decrease of 0.4 percent; the total output value of forestry was 794 million yuan, a decrease of 2.6 percent; the total output value of animal husbandry was 16.048 billion yuan, an increase of 6.8 percent; the total value of sideline production was 4.155 billion yuan, an increase of 7.5 percent; and the total output value of fishery was 4.935 billion yuan, an increase of 7.9 percent.

As for the output of major agricultural products, grain and cotton output decreased because of natural disasters while the output of oil-bearing crops, silkworm cocoons, and tea increased.

The output of major agricultural products follows:

	1990	Percentage of increase over 1989
Grain	32,641,500 tonnes	-0.6
Cotton	464,200 tonnes	-4.2
Oil-bearing crops	1,123,900 tonnes	12.5
—of which, rapeseed	814,100 tonnes	20.2
Sugar cane	222,600 tonnes	-13.6
Cured tobacco	8,400 tonnes	-47.1
Jute and ambari hemp	19,000 tonnes	-13.2
Silkworm cocoons	120,000 tonnes	7.2
Tea	14,100 tonnes	3.7
Fruits	493,300 tonnes	-2.2

In animal husbandry, the output of major livestock products, such as pork, beef, and mutton, continued to increase. The output of major livestock products and head of livestock are as follows:

	1990	Percentage of increase over 1989
Pigs slaughtered	21,166,200 head	3.7
Pigs at year's end	18,511,000 head	0.7
Large animals at year's end	925,000 head	2.5
Sheep at year's end	8,508,000 head	5.9
Pork	1,492,400 tonnes	4.3
Beef and mutton	91,400 tonnes	11.9
Milk	89,000 tonnes	4.0
Eggs	897,200 tonnes	14.3

The fishery industry developed steadily. The output of aquatic products was 1,182,500 tonnes, an increase of 7 percent over the previous year. The total catch of freshwater products was 844,000 tonnes, an increase of 6.5 percent; and the output of marine products was 338,500 tonnes, an increase of 8.3 percent.

Agricultural investment increased, and conditions for production were improved further. By the end of 1990, the aggregate power of the province's farm machinery reached 20,047,700 kilowatts [kw], an increase of 4.2 percent over the previous year. There were 736,000 tractors, a 2.4 percent increase; the power of irrigation and drainage equipment was 4,908,300 kw, a 3.1 percent increase; a total of 2,217,900 tonnes of chemical fertilizers were applied during the year, an 8.4 percent increase; and the total consumption of electricity in rural areas was 10,526 billion kilowatt-hours [kwh], an increase of 7 percent over the previous year.

The province's rural economy developed steadily in 1990. The total rural product of society in 1990 reached 202,274 billion yuan, an increase of 6.7 percent over the previous year. Of this sum, the total output value of rural industry, construction, transportation, commerce, and the catering trade increased by 7.9 percent, bringing up their proportion of the total rural product of society to 71.9 percent.

II. Industry

Industrial production grew steadily. The total industrial output value in 1990 was 276,516 billion yuan, an increase of 10.1 percent from 1989. Of the total, the industrial output value of industries at and above the village level amounted to 214,788 billion yuan, an increase of 9.9 percent. Of the industrial output value of industries at and above the village level, state-owned industries' output value grew by 7.6 percent to 94.84 billion yuan; collectively owned industries' output value increased by 10.4 percent to 109,482 billion yuan; and the output value of industries of other kinds of ownership grew by 24.1 percent to 10,466 billion yuan.

The industrial product mix was readjusted to certain extent. Of the industries at and above the village level, the total output value of light industry was 118,022 billion yuan, an increase of 11.6 percent over the previous year; that of heavy industry grew by 7.9 percent from last year to 96,766 billion yuan. Light and textile industries made certain progress in developing new products and designs to meet the market changes. Production of remarkable goods continued to grow, and that of major raw and semifinished materials and energy maintained a higher growth rate. Production of black-and-white television sets, refrigerators, washing machines, and other products shrank due to a weak market

The output of major industrial products was as follows:

	1990	Percentage of increase over 1989
Cotton yarn	694,600 tonnes	2.1
Cloth	2.891 billion meters	2.8
Woolen goods	73.16 million meters	9.4
Knitting wool	83,100 tonnes	7.6
Machine-made paper and paper board	748,200 tonnes	1.7
Crude salt	1,845,400 tonnes	-25.4
Synthetic detergent	143,900 tonnes	5.0
Household washing machines	87,700	-8.2
Household refrigerators	366,400	-42.2
Fans	9,694,700	12.8
TV sets	4,906,100	-7.4
—of which, color TV sets	831,800	4.3
Coal	24,077,900 tonnes	-1.6
Crude oil	860,000 tonnes	7.1
Processed crude oil output	8,086,600 tonnes	4.9
Electricity	40.025 billion kWh	9.2
Steel	1,901,800 tonnes	12.7
Finished rolled steel	2,030,100 tonnes	5.9
Pig iron	1,543,500 tonnes	6.7
Ten nonferrous metals	43,400 tonnes	2.6
Cement	15,328,900 tonnes	1.2
Plate glass	3,239,600 boxes	11.3
Sulphuric acid	1,224,700 tonnes	4.7
Soda ash	175,700 tonnes	114.5
Caustic soda	328,700 tonnes	3.4
Power generating equipment	476,000 kw	16.1
Metal cutting machine tools	15,900	-15.4
Motor vehicles	47,100	23.3
Tractors	1,084	41.0
Small tractors	141,300	10.1
Chemical fertilizers	1,459,000 tonnes	2.4
Chemical insecticides	44,700 tonnes	6.9

Industrial products reached their quality targets more satisfactorily. According to statistics of the quality indexes on 166 major products of 12 main industrial departments, bureaus, and companies, the rate of steady quality improvement was 82.6 percent, and that of high-quality goods was 19.1 percent. Sixty-four products won state gold or silver medals, and 866 high-quality products were awarded by the province in this year.

The economic efficiency of industrial enterprises continued to decline. Profits and product sales taxes of budgeted state-owned industrial enterprises amounted to 4.352 billion yuan in 1990, down 24.3 percent from the previous year. Finished products were overstocked. The turnover period for working funds extended from 97 days during 1989 to 112 days. The amount of profits and product sales taxes per 100 yuan of capital declined from 17.56 yuan of the previous year to 10.93 yuan.

III. Investment in Fixed Assets and Construction

Under the premise of adhering to the control of total supply and demand, Jiangsu appropriately readjusted the extent of retrenchment in 1990. The investment in fixed assets increased gradually. The province's investment in fixed assets totalled 34.873 billion yuan, an 8.9-percent growth over 1989. Of the total amount, state-owned units made a 13.462 billion-yuan investment, up 8.4 percent; collective-owned units' investment grew 7.3 percent to 7.22 billion yuan; and private investment increased 10.2 percent to 14.191 billion yuan. Of the investment made by state-owned units and collective-owned units, local investment amounted to 16.41 billion yuan, an increase of 13.9 percent.

The investment structure was readjusted further. Of the investment made by state-owned units, the investment in productive construction projects was 8.99 billion yuan, up 2 percent from 1989; and that in non-productive construction projects dropped 9.3 percent from last year to 2.55 billion yuan. The proportion of investment in productive construction projects rose from 75.8 percent in 1989 to 77.9 percent, but that of investment in non-productive construction projects fell 2.1 percentage points. With the support of special state policies, the construction in the sectors of energy, transportation, and posts and telecommunications was accelerated. The investment in energy industry by state-owned units amounted to 2.228 billion yuan, an increase from 24.6 percent in 1989 to 30.8 percent of the industrial investment; the investment in transportation, posts and telecommunications was 1.648 billion yuan, rising from 10.6 percent last year to 14.3 percent of the industrial investment. Of the investment in fixed assets by state-owned enterprises, the amount invested in renovation projects was 4.129 billion yuan, up 0.4 percent over the previous year. Of this amount, the amount used for increasing productive capability grew 52.7 percent to 2.448 billion yuan; the amount used for increasing designs of goods rose 1.5 percent to 768 million yuan; the amount used for improving product quality soared 28.6 percent to 319 million yuan; and the money used for economizing on energy amounted to 152 million yuan, falling 7.3 percent.

In 1990, capital construction projects and renovation projects by state-owned enterprises added the following new productive capabilities or efficiency: 1.2 million tonnes per year of coal washing capability, 750,000 kw of power generating capability, 60,000 tonnes per year of acetic aldehyde, 70,000 tonnes per year of acetic acid, 126,000 tonnes per year of synthetic fiber monomer, 1,500 tonnes per year of plastic film, 50,000 tonnes per year of laundry detergent, 1.6 million color kinescopes per year, 250,000 tonnes per year of cement, and 3.85 million tonnes of port handling capability.

The construction enterprises did not achieve their construction targets. In 1990, state-owned construction enterprises generated 3.016 billion yuan in output value, down 3.5 percent from the previous year. The construction area totalled 6.301 million square meters, down 6.3 percent from the previous year. Per capita labor productivity fell 9.7 percent from last year to 11,844 yuan. The number of enterprises in the red increased, as well as the volume of losses.

IV. Transportation, Posts and Telecommunications

In general, the volume of freight transport fell. The rotation volume of freight transport via various types of conveyance in the province in 1990 dropped 7.2 percent from 1989 to 58.37 billion tonnes per kilometer, of which, the volume transported via railway amounted to 28.21 billion tonnes per kilometer, down 3.5 percent; that transported via highway was 2.03 billion tonnes per kilometer, decreasing 10.4 percent; and that transported via waterway dropped 11.4 percent to 23.88 billion tonnes per kilometer. The handling capacity of ports throughout the province totalled 168.52 million tonnes, down 10.1 percent.

The volume of passenger transportation continued to drop. The rotation volume of passenger transportation via various types of conveyance in 1990 amounted to 28.57 billion persons per kilometer, down 8.8 percent, of which, the volume of people transported via railway was 12.41 billion persons per kilometer, an increase of 10.4 percent; the volume via highway was 15.73 billion persons per kilometer, down 7 percent; and the volume via waterway plunged 22.9 percent to 430 million persons per kilometer.

The development of postal and telecommunication services increased in 1990 and the business transactions totalled 495 million yuan, a rise of 23.8 percent from the previous year. Of the total, the amount for mail delivery dropped 2.9 percent, that for the press grew 3.5 percent, the amount for telegrams fell 12 percent, and the amount for long-distance phone calls increased 37.7 percent. The year-end number of telephone users in urban areas amounted to 306,000, up 22.4 percent from the year before, of which 36.4 percent were program controlled.

V. Domestic Commerce, Supply and Marketing

The domestic market was recovering gradually and began to increase. In 1990, the value of retail sales of social commodities totalled 59.906 billion yuan, a 0.3 percent increase over the previous year. From September to December, the trend of decline in the value of retail sales of social commodities on a monthly basis stopped. Of the total, the volume of retail sales of consumer goods was 46.479 billion yuan, a rise of 0.6 percent; that of means of agricultural production was 8.363 billion yuan, down 4.7 percent; the value of consumer goods sold to institutions was 5.064 billion yuan, up 6.4 percent.

The consumer goods market in both urban and rural areas indicated that the volume of retail sales in cities increased by 4.6 percent over the previous year,

including a 14-percent increase in the fourth quarter; the market at and below the county level picked up after October, but the volume of retail sales for the entire year of 1990 still decreased by 1.5 percent.

Of the retail sales volumes of commodities of all types in the economy, the retail sales volume of state-owned commercial enterprises was 20.066 billion yuan, up 1.4 percent; that of other units under the collective ownership was 26.789 billion yuan, down 4.4 percent; that of those under joint ownership was 116 million yuan, down 2.9 percent; that of individual businesses was 8.151 billion yuan, up 7.8 percent. The retail sales volume of goods that farmers sold to nonagricultural people was 4.784 billion yuan, up 12.4 percent.

The sluggish market for means of production started to improve. In 1990, the means of production sold by the province's material departments were valued at 38.14 billion yuan, up 4.4 percent, including the fourth quarter's increase of 9.8 percent. The amount of coal sold was 48.39 million metric tons, up 18.2 percent; rolled steel, 3,972 million metric tons, up 11.8 percent; cement, 2,824 million metric tons, down 4.7 percent; and timber, 4,199 million cubic meters, down 12.1 percent.

The general retail price level in 1990 continued to increase, but the margin of market price increases clearly narrowed compared with the previous two years. The yearly average increase was 2.3 percent, including a 2.6-percent increase in cities and towns and a 2-percent increase in rural areas.

Increase of Retail Prices of Diversified Commodities and Service

	1990 increase over 1989 (percent)	increase in December over 1989 (percent) (in urban area)
Foodstuffs	2.0	4.8
Grain	2.0	4.5
Meat, poultry and eggs	-0.1	0.6
Pork	-2.7	1.2
Fresh vegetables	1.1	6.6
Aquatic products	0.7	9.3
Cigarettes, wine and tea	0.8	0.6
Cake	7.3	4.8
Clothing	7.9	7.3
Articles of everyday use	2.7	2.5
Medicine and medical equipment	3.9	-8.3
Fuel	13.2	65.2
Means of Agricultural production	2.2	-
Services	14.4	9.7

VI. Foreign Economic Relations and Trade, and Tourism

Foreign economic relations and trade developed more rapidly. In 1990, Jiangsu's volume of commodity purchases for foreign trade totaled 17.713 billion yuan, up 30.2 percent from the previous year. The total volume of import and export in foreign trade amounted to U.S. \$3.695 billion, an 11.7-percent rise over 1989. The volume of export totaled U.S. \$2.951 billion, up 20.9 percent from the previous year.

Jiangsu quickened its pace in the use of foreign capital and in economic and technical cooperation with foreign firms. In 1990, the province actually used foreign capital totaling U.S. \$438.61 million, a 14.6-percent rise over 1989. Of the sum, U.S. \$141.1 million was direct investments made by foreign firms, which constituted 32.2 percent of the foreign capital actually used. Jiangsu signed agreements with foreign businesses for building 392 enterprises, which were partially or wholly foreign-owned, with foreign capital absorbed to the amount of U.S. \$277.11 million, up 35.2 percent and 42.4 percent from 1989, respectively. Jiangsu signed 77 construction and labor projects in foreign countries, with the total sum involved in new contracts amounting to U.S. \$40.46 million, a 40-percent and 10.4-percent rise over 1989 respectively. The actual business volume amounted to U.S. \$83.89 million, up 8.5 percent from 1989.

International tourism was restored more quickly. In 1990, Jiangsu received a total of 724,800 tourists, visitors, and people who engaged in various other activities, a 52.5-percent rise over 1989. Of them, 219,200 were foreigners, up 29.4 percent; 505,600 were overseas Chinese and Chinese compatriots residing in Hong Kong, Macao, and Taiwan, up 65.3 percent. Foreign exchange earned through tourism in 1990 was 338 million yuan (in foreign exchange certificates), up 34.1 percent.

VII. Finance, Banking, and Insurance

In 1990, Jiangsu's local revenues were 13.337 billion yuan, a 4.5-percent rise over 1989 if calculated on a comparable basis. Of that total, 12.542 billion yuan were taxes from industrial and commercial enterprises, up 7.5 percent. Jiangsu's expenditures totalled 9.751 billion yuan, up 8.5 percent. Owing to decreasing economic results in enterprises and other reasons, regular revenues increased too slowly to meet the needs of the budget, while expenditures increased so rapidly that the budget could not recover. As a result, the difference between Jiangsu's revenue and expenditure worsened.

The banking situation was stable. At the end of 1990, deposits of all kinds in the province's banks and financial organizations reached 85.854 billion yuan, an increase of 21.773 billion yuan over the beginning of the year; total loans of all kinds reached 100.904 billion yuan, up 17.34 billion yuan from the beginning of the year. This showed that Jiangsu continued to maintain the trend that the increase of deposits was larger than that of loans. In 1990, Jiangsu put into circulation 1.076 billion yuan, down 1.144 billion yuan from 1989.

The insurance business continued to develop. In 1990, Jiangsu offered more than 210 domestic and international insurance policies, with property and human life coverage at home and abroad totaling 296.08 billion yuan, a 25.4-percent rise over 1989. The total income from property insurance and savings account life insurance at home and abroad in 1990 reached 1.03 billion yuan, up 15.7 percent from 1989. The total amount of compensation for property insurance and savings account life insurance at home and abroad was 407 million yuan. This money greatly helped disaster-stricken units restore production and management and played an active role in helping disaster-afflicted masses restore their normal living conditions.

VIII. Science and Technology, Education, and Culture

New achievements were made in science and technology. In 1990, Jiangsu won nine national awards for inventions, 43 awards for progress in science and technology, and six natural science awards. In addition, the province also won 337 provincial prizes for progress in science and technology, including a first prize, 25 second prizes, 103 third prizes, and 208 fourth prizes.

In 1990, Jiangsu accepted 2,706 applications for patents, a 35.7-percent rise over 1989, and authorized 1,455 patent rights, up 30.2 percent.

In 1990, Jiangsu's large- and medium-sized industrial enterprises established 926 exclusive technological development organizations, an increase of 220 over 1989. Jiangsu also organized over 4,250 technological developing projects, a rise of 820 over 1989.

At the end of 1990, local state-owned units across the province had a total of 501,800 personnel majoring in natural science and technology, a 7-percent rise over the previous year.

In 1990, Jiangsu admitted 2,276 graduate students. A total of 6,909 graduate students were enrolled in the province, dropping 628 from 1989. Regular colleges and universities admitted 43,300 undergraduates and students in special courses, and the total number of students reached 146,900, dropping 1,000. Adult colleges and universities admitted 22,400 undergraduates and students in special courses, and the total number of students at this level was 78,700. Various vocational and technical secondary schools had 139,900 students, an increase of 4,300 students. Agricultural and vocational senior middle schools had 154,900 students, 38 percent of the province's total number of senior middle school students. The province's middle schools had 2,819,700 students, and its elementary schools had 6,122,900

pupils. The enrollment rate for school-age children was 99.9 percent. Certain progress also was made in preschool education and in special education for slow and handicapped children.

Culture developed continuously. At the end of 1990, Jiangsu had 4,876 various film-showing units, 137 art troupes, 109 cultural centers, 91 public libraries, 51 museums, and 14 publishing houses. The province also had 22 broadcasting stations, 16 radio transmitters and relay stations, 24 television stations, and 131 television transmitters and relay stations. In 1990, the province printed 350 million copies of 3,307 varieties of books and 41,066,000 copies of 292 varieties of magazines, and published 830 million copies of newspapers.

IX. Public Health and Sports

Public health care improved. By the end of 1990 there were 12,366 health care institutions, 41 more than the previous year. There were 164,500 hospital beds throughout the province, including 145,400 hospital beds, 3,200 more than the previous year. There were 213,500 professional health technicians, up 2.9 percent over the previous year, including 99,400 doctors, a 2.8-percent increase; and 53,400 nurses, a 5.5-percent increase. The whole province boasted 243 epidemic prevention stations and full-time disease prevention and control centers, and 10,595 full-time epidemic prevention personnel, up 5.8 percent over the previous year.

Remarkable achievements were made in sports. At the 11th Asian Games, which were the focus of world attention, Jiangsu athletes made their best efforts and won 26 gold and eight silver medals, thereby winning honor for the nation. At the highest national competitions, the province won 29 gold, 21 silver, and 31 bronze medals. The number of students enrolled in schools of all categories at all levels throughout the province, and who attained the state standards for physical culture and sports training, accounted for 95.73 percent of the students who were subjected to tests.

X. Living Standards

The living standards of the majority of residents in urban and rural areas throughout the province rose to varying degrees. In 1990 the province's total payroll was 18,419 billion yuan, up 11.4 percent from the previous year, and the average annual wage of workers was 2,125 yuan, topping the previous year by 10.8 percent. A sample survey of urban and rural households showed that per capita income of urban households was 1,464 yuan, up 6.7 percent, while per capita living expenses were 1,339 yuan, up 2.9 percent. Rural residents' per capita net income was 884 yuan, up .9 percent, while per capita living expenses were 787 yuan, down 3 percent.

In 1990 the province arranged jobs for 280,600 people. By the end of the year, there were 8,788,900 workers, an increase of 113,300 as compared with the end of the previous year.

The people's savings deposits increased considerably. In 1990 the year-end balance of people's savings deposits throughout the province was 47.086 billion yuan, an increase of 13.93 billion yuan as compared with the end of the previous year, up 42 percent. This included 33,073 billion yuan in the balance of savings deposits by urban residents, a 46.5-percent increase, and 14,013 billion yuan in the balance of savings deposits by rural residents, a 32.5-percent increase. The housing conditions of urban and rural residents continued to improve. Per capita housing space of urban residents was 9.06 square meters, 0.29 square meter more than the previous year, while that of rural residents was 22.33 square meters, up 1.16 square meters.

XI. Population

By the end of 1990, the province's population was 67.669 million. The birth rate rose by 20.38 per thousand of the previous year to 20.54 per thousand. The mortality rate was 6.53 per thousand, basically the same as the previous year. The natural growth rate rose by 13.84 per thousand of the previous year to 14.01 per thousand.

Note: 1) The absolute figure of total output value was calculated based on the price of the year concerned, and the growth rate was calculated by using comparable prices. 2) Population by the end of 1990 was the number of permanent residents. 3) In 1990 the peasants' per capita net income was 884 yuan. The prices of products produced and consumed by peasants themselves were calculated according to the original state fixed prices and were compared with the previous years' figures. If the prices were calculated by using the comprehensive average prices for contracted purchases, then the peasants' per capita net income would be 959 yuan. 4) Owing to changes in specifications, the total power of farm machinery was less than that of the previous year, and the growth rate was obtained by comparing machines of similar specifications.

Jiang Chunyun Addresses Forum on Religious Work

SK2103045791 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 20 Mar 91

[Excerpts] On the afternoon of 19 March at Nanjiao Guesthouse, Jiang Chunyun, secretary of the provincial party committee; Ma Zhongcui, deputy secretary of the provincial party committee; and Song Fatang, vice governor of the provincial government; held a forum with some representatives participating in the provincial religious work conference.

At the forum, the provincial leaders stressed: Religious work is a task for the whole party, so we should pay full attention to and support this work.

Comrade Jiang Chunyun pointed out at the forum: The central authorities have approached the issue on correctly treating and handling religious problems from the high plane of safeguarding social stability, promoting the

unity of nationalities and the reunification of the motherland, and building socialism with Chinese characteristics. This fully indicates the importance of the religious work and the central authorities' attention to the work. Party and government cadres at various levels across the province should realistically strengthen leadership, put religious work on their work agenda, and conscientiously attend to it.

Comrade Jiang Chunyun pointed out: We should conscientiously organize party members and cadres to study the central authorities' policies and principles relating to religious work, draw a clear line of demarcation between truth and falsehood, and carry out their work positively and actively. We should further implement the policies on the real estate of religious circles and attend to the implementation of these policies one after another. Meanwhile, we should vigorously strengthen the building of grass-roots party organizations, conduct ideological and political work, and strengthen the party's power to attract and unite with the people. We also should strengthen the management of religious affairs according to the law, further perfect religious work organizations at various levels, strengthen the self-improvement of cadre regiments, upgrade the quality of their political and professional work, and strive to create a new situation in the religious work of the province. [passage omitted]

The provincial religious work conference was held at Nanjiao Guesthouse in Jinan from 18 to 20 March.

Some provincial leading comrades, including Ma Zhongcai, Yan Qingqing, Song Fatang, Zhou Zhenxing, and Jin Baozhen, were present at the conference. (Yang Hongxiang), deputy director of the Bureau of Religious Affairs under the State Council, attended the conference. Vice Governor Song Fatang made a speech.

The conference pointed out: We should comprehensively and accurately implement the policy on freedom of religious belief, and should respect and protect the right of people to enjoy the freedom to believe in religion, but no religious circle is allowed to interfere in state administration, judicial work, or the educational work of schools. We should strengthen the management of religious affairs according to the law so as to further normalize religious activities. We should resolutely deal blows to those who use religious means to engage in unlawful and criminal activities, and resolutely resist infiltration by the hostile forces at home and abroad through religious channels. Meanwhile, we should strengthen the work of uniting with, educating, and cultivating people of religious circles and should consolidate the patriotic and united front under the leadership of the party.

Joins Voluntary Road Construction

SK2103060591 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 20 Mar 91

[Excerpts] Today, the wind was howling and the sand was blowing all over the sky on the Jinan-Qingdao Highway, located on the south bank of the Huang He.

Despite the cold force-five or higher wind, at 1530 some leading comrades of the province and the Jinan Military Region, including Jiang Chunyun, secretary of the provincial party committee, and Song Qingwei, political commissar of the Jinan Military Region, joined in the voluntary labor on the construction site of the Jinan-Qingdao Highway, and shoveled dirt for the construction of the highway. [passage omitted]

Also joining the voluntary labor on the construction site were Gao Changli, Ma Zhongcai, Miao Fenglin, Tan Fude, Li Chunting, Lu Hong, Xu Jianchun, Lin Ping, Yan Qingqing, Li Ye, Zhang Ruiseng, Guo Changcai, Lu Maozeng, and Zhou Zhenxing, leading comrades of the province; Song Yimin, Zhu Qimin, and Zhang Jingtao, specially invited advisers to the provincial government; Yan Zuo, Cai Renshan, Yang Guoping, Yang Hanwen, Zhan Jilin, Xu Chunting, and (Zheng Guangchen), leading comrades of the Jinan Military Region, air force personnel of the region, and the provincial military district; (Yang Jiajie), leading comrade of the provincial armed police headquarters; and Zhai Yongbo, leading comrade of Jinan City.

Sees Off NPC Deputies

SK2103041391 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 20 Mar 91

[Text] Heavily entrusted by some 84 million people of the province and with the heavy mission of examining and discussing the Eighth Five-Year Plan and the 10-year program, 178 deputies to the National People's Congress [NPC], who live in the province, left Jinan for Beijing on the evening of 20 March to attend the Fourth Session of the Seventh NPC which will be held on 25 March.

On the afternoon of 20 March at the meeting hall of Jinan's Zhenzhuquan Assembly Hall, Jiang Chunyun, secretary of the provincial party committee; Gao Changli and Ma Zhongcai, deputy secretaries of the provincial party committee; and Li Chunting, Standing Committee member of the provincial party committee and vice governor of the provincial government, met with these deputies and gave a send-off party for them.

Jiang Chunyun and Ma Zhongcai said to them: This NPC session is a meeting of extreme importance. On behalf of the people of the whole province, you should conscientiously exercise the right of being masters of the country and successfully fulfill your tasks.

The deputies pledged that they will be unworthy of the heavy trust and the expectations of the people of the province.

Zhu Rongji Addresses District Officials' Course

OW1903055891 Shanghai City Service in Mandarin
1000 GMT 18 Mar 91

[Text] During the Spring Festival this year, a number of veteran proletarian revolutionaries encouraged us to do our work in Shanghai better, faster, and more courageously when they were here. The key to meeting this requirement lies in training a large group of leading cadres who possess firm political belief, uphold Marxism and defend the present Constitution, know their job and are steadfast in their work, and dare to break new ground and take responsibility. With a backbone contingent like this, work in Shanghai will advance swiftly.

These were the words of Zhu Rongji, secretary of the municipal party committee and principal of its party school, when he addressed the first short study course for secretaries of district party committees.

In his speech, Zhu Rongji fully affirmed the success of this study course, and put forward the requirements on how to further improve the work of district party committees. He expressed the hope that the district party committee will take a broad and long-term view in the training, selection, and appraisal of leading cadres. They should make full preparations to gradually streamline their administration, and place emphasis on strengthening work in the localities and grass roots and on improving work efficiency. Leading cadres must properly handle the relation between centralization and enthusiasm, initiative, and willingness to take responsibility. They must improve their work style, and reach deep into reality, the grass roots, and the people. They should link their hearts with those of the people, help them solve their problems, perform more deeds, and inspire and lead them forward.

Zhu Rongji said: The Eighth Five-Year Plan, particularly the next three years, will be the most crucial period in our efforts to revitalize Shanghai and develop Pudong. During this period, we shall implement a series of major reforms related to our international reputation and economic development. We must focus our energy on improving profit margins in enterprises, and carry out large-scale construction of infrastructure projects. We must truly improve party style and incorruptibility, improve professional and business ethics, improve the general mood of society, inspire ourselves to work hard, and break new ground in the development of Shanghai and in reform.

In his speech, Wu Bangguo, dwelt on three issues. First, to seize the opportunity and do a sound job by building on the good situation. Second, undertakings by district party committees should aim at motivating the cadres and people fully. Third, district party committees must focus their work at the ground level, and do everything possible to stabilize the grass roots. Undertakings by the organs must try to better serve the grass roots.

Ni Hongfu, deputy secretary of the municipal party committee, also attended the first day of the study course, and spoke.

Central-South Region**Guangdong 1990 Development Statistics Bulletin**

HK2003150291 Guangzhou NAINING RIBAO
in Chinese 7 Mar 91 p 2

[Report: "Statistics Bulletin Issued by Guangdong Provincial Statistics Bureau on National Economic and Social Development in 1990 (7 March 1991)"]

[Text] In 1990, under the leadership of the Guangdong Provincial CPC Committee and Government, the people throughout the province continued to implement the principle of improvement, rectification, and deepening reform with marked results. A balance between general social demand and supply was basically achieved, major proportional relations somewhat improved, prices were stable with some falls, financial revenues and expenditures were basically balanced, the credit supply-demand contradiction was somewhat relaxed, the provincial national economy made steady progress in "austerity," new results were scored in all social undertakings, people's living standards in both urban and rural areas continued to improve, and the whole social situation became increasingly stable and harmonious with each passing day, with the situation of stability and unity further consolidated. Initial statistics show that the 1990 gross output value on the home front was 141 billion yuan, up by 10.1 percent from the previous year, national income reached 110.808 billion yuan, up by 9.4 percent. The major problems in economic operation were: A decline in enterprise economic results, sluggish commodity marketing, and slow progress in restructuring; consequently the tasks for further improvement, consolidation and deepening reform remain arduous.

1. Agriculture

In 1990, governments at all levels throughout the province continued to adhere to strengthening agriculture, giving it top priority over all other economic work, increased agricultural input, augmented the basic construction of farmland and water conservancy works, and unfolded activities to reinvigorate agriculture with science and technology and to create high grain yields; as a result, another all-around bumper harvest was reaped. The 1990 agricultural gross output value was 59.866 billion yuan, an increase of 7.1 percent over the previous year, of which farming enjoyed an increase of 7.6 percent, and forestry, animal husbandry, fishery and other sideline production increased by 6.8 percent. Marked results were scored in the "non-staple food project."

The output of major farm products increased in an overall manner. Gross grain yield was 18.9629 million tonnes, 769,600 tonnes more than the record year 1984, up by 4.4 percent from the previous year; the per mu

yield of rice crops was 354 kg, 12 kg more than in the previous year, creating another new record. Except for cured tobacco, the output of which decreased slightly, the output of all other major cash crops—such as sugar-cane, peanuts, tea, and fruits—registered a good harvest.

The output of major farm products was as follows.

	1990	Increase over 1989 (percent)
Sugarcane	20,934,600 tonnes	24.5
Peanut	579,500 tonnes	4.6
Jute, ambari hemp	10,600 tonnes	1.9
Cured tobacco	70,800 tonnes	-1.2
Tea	25,700 tonnes	9.4
Silkworm cocoons	25,500 tonnes	41.7
Fruits	3,285,800 tonnes	19.1

New headway was made in forestry. Trees were planted on an area of 4.679 million mu throughout the province, with the forest cover rate reaching 48.9 percent, up by 3.8 percentage points from 1989. Guangdong is now basically void of barren hills, and the work focus of forestry has begun to shift from afforestation to forest management.

Animal husbandry took on a momentum of steady development. Pigs in stock at year end, the number of hogs slaughtered and the volume of meat output all increased. Output of pork, beef and mutton products, poultry, milk, and major animal by-products continued to increase.

The output of major animal by-products and head of livestock are as follows:

	1990	Increase over 1989 (percent)
Pork	1,453,500 tonnes	9.8
Beef and mutton	30,300 tonnes	10.6
Milk	55,100 tonnes	8.5
Hogs slaughtered	17,929,000 head	6.6
Pigs at year end	20,588,900 head	3.6
Cattle at year end	4,764,900 head	2.8

Fishing production also developed measurably. The output of aquatic products was 2.0766 million tonnes, an increase of 9.4 percent over the previous year, the total catch of marine products was 1.2454 million tonnes, up by 9.8 percent; the total catch of freshwater products was 831,200 tonnes, up by 9 percent.

Further improvement was made in agricultural production. At year end, the aggregate power of the country's farm machinery reached 12,788 billion watts, up by 2.1 percent from the previous year. There were 343,800 small-sized and walking tractors, an increase of 3.3 percent, and 43,400 heavy-duty trucks for agricultural use, a drop of 4.4 percent. A total of 1.6241 million

tonnes of chemical fertilizers were applied during the year, an increase of 3.9 percent over the previous year. The volume of rural power consumption was 5,696 billion kilowatt-hours [kwh], an increase of 12.9 percent over the previous year. In 1990, the area of arable land was 12,9694 million mu, up by 9.3 percent. However, there was a cutback in irrigation machinery, the year-end volume in possession being 1,817 billion watts, a drop of 4.8 percent.

Further readjustment was made in the rural industrial setup, with the second and tertiary industries developing steadily. The annual rural social gross output value reached 128,318 billion yuan, up by 12.5 percent from the previous year, of which the gross output value of industry, building and transportation industries and the catering business in rural areas increased by 15 percent, with their proportion in the rural social gross output value rising to 53.3 percent from the 52.1 percent of the previous year. The annual gross output value and gross income of enterprises in townships and towns province-wide were 63 billion yuan (at 1980 constant prices) and 75 billion yuan respectively, up by 13.7 percent and 9.7 percent respectively.

2. Industry

The industrial growth rate picked up every month through readjusting the product mix and expanding exports. The province's industrial gross annual output value reached 189.2 billion yuan, an increase of 16.4 percent over the previous year, with an increase range topping the whole nation. The industrial gross output value, excluding the village level and below, was 159.7 billion yuan, up by 16.8 percent; industry under collective ownership grew by 8.9 percent (of which township-run industry grew by 16 percent); and industry in other economic categories increased by 45.5 percent. Industry in the category of joint ventures with Chinese and foreign investment, cooperation or management with monopoly capital continued to maintain rather rapid growth.

Some improvement was made in the industrial product mix. In 1990, light industry's gross output value reached 128.7 billion yuan, an increase of 21 percent; heavy industry's gross output value was 60.5 billion yuan, up by 6.3 percent. The conditions were sound for production of major raw materials, energy resources, and products supporting agriculture, and rather great increase was witnessed in the production of articles of daily need, light and textile industries, and electronic and electric appliances in the course of meeting market demand. A large number of famous-brand, good-quality, special and new products were put onto the market, while the production of some oversupplied products was kept under control. Affected by the market, however, the output of some high-quality, durable consumer goods and electrical machinery products of an investment nature dropped. A breakthrough in readjusting the industrial setup and optimizing the enterprise structure was not yet on the horizon.

The output of major industrial products was as follows:

	1990	Increase over 1989 (percent)
Bicycles	2,963,000	2.9
Sewing machines	970,500	-22.1
Television sets	3,276,000	49
—of which color sets	2,623,700	68.5
Household washing machines	1,430,100	17.8
Household refrigerators	1,057,500	-22.8
Chemical fibers	115,800 tonnes	6.6
Cotton yarn	121,000 tonnes	12.7
Cloth	459,4988 million meters	21
Silk	2,400 tonnes	26.3
Salt	299,000 tonnes	-28.4
Cigarettes	1,505,800 cartons	9.2
Beer	391,600 tonnes	23.2
Machine-made paper and paper board	1,041,300 tonnes	15.7
Chemical pharmaceuticals	18,500 tonnes	-13.6
Sugar	1,845,000 tonnes	39.1
Coal	8,899,400 tonnes	-9.3
Crude oil processed	8,595,100 tonnes	-0.1
Electricity	34.342 billion kwh	15.1
—of which hydro-electricity	7.716 billion kwh	10
Steel	1,169,600 tonnes	11
Iron	806,400 tonnes	4.2
Steel products	1,337,400 tonnes	9.8
Iron ore	5,389,200 tonnes	4.8
Sulfuric acid	1,008,000 tonnes	5
Soda ash	111,100 tonnes	0.3
Chemical fertilizer	675,800 tonnes	-4.1
Chemical pesticides	8,800 tonnes	12.8
Cement	20,709,100 tonnes	5.3
Combustion engines	562,000 kilowatts	-51.3
Power-generating equipment (500 kilowatts and up)	221,500 kilowatts	74
Small-size tractors (under 20 horsepower)	28,700	-55.9

A conspicuous characteristic of industrial production was that exports grew by a wide margin. The annual gross output value of exports reached 43.296 billion yuan, a 40-percent increase over the previous year, with its proportion in the gross industrial output value rising to 32 percent from the 26 percent of the previous year.

Economic results declined in some enterprises. State-owned industrial enterprises in the budget throughout the province realized profits and taxes of 3.668 billion yuan, a 23-percent decrease from the previous year. There was an overstocking of finished products, and the period of fixed fund circulation was 113.6 days, 6.1 days longer than the previous year. The capital profit and tax rate dropped to 11.4 percent from the 16.7 percent of the previous year. The sector of enterprises suffering deficits expanded from 15.7 percent to 36.5 percent, with the volume of deficits increasing 340 percent. Per capita labor productivity of industrial enterprises under ownership by the whole people was 29,251 yuan, up by 11.4 percent from the previous year. Comparable cost of goods manufactured dropped somewhat.

3. Investment in Fixed Assets and Building Industry

Investment in fixed assets gradually picked up. Total investment in fixed assets of the whole society came to 31.44 billion yuan (excluding commodity houses), up by 5.1 percent from the previous year. Investment in fixed assets under ownership by the whole people was 22.892 billion yuan, up by 13.6 percent. Of the investment in units under ownership by the whole people, investment in capital construction came to 17.129 billion yuan, up by 16.2 percent; investment in renovation and transformation was 5.439 billion yuan, an increase of 9.4 percent. Projects under construction were kept under control; the number of capital construction projects and projects under renovation and transformation of units under ownership by the whole people was 7,039, a cutback by 159 from the previous year.

Some readjustment was made continuously in the investment structure. Of the investment in fixed assets owned by the whole people, investment in production projects came to 16.799 billion yuan, up by 19.6 percent from the previous year, with its proportion going up by 3.7 percentage points; investment in nonproduction projects was 6.093 billion yuan, a 0.3-percent drop from the previous year. With the support of the state policy of leaning toward key departments, building of energy resources, transportation, posts and telecommunications was strengthened. Of the investment in fixed assets of units of ownership by the whole people, investment in the energy resources industry was 5.246 billion yuan, up by 37.2 percent, with the proportion rising from 19 percent to 22.9 percent; investment in post and telecommunications was 4.467 billion yuan, up by 24.3 percent, with the proportion rising from 17.9 percent to 19.5 percent.

Investment in large and medium-type and key projects came to 5.781 billion yuan, of which that in large and medium-type projects was 5.422 billion yuan. A number of highway, bridge, telecommunications, power and raw materials projects were completed and put into production. The Sanshui-Maoming Railway was completed and put through; the eastern sectors of State Route 105 and Route 107 were completed. New production capacity and economic results of capital construction, renovation and transformation projects of units of ownership by the whole people include: 666,000 kilowatts of power-generating capacity, 1.144 million tonnes of cement, 159 km of microwave circuits, 620,000 telephone switchboards in urban and rural areas, and a daily water supply capacity of 320,000 tonnes.

Owing to the cutback in investment in fixed assets early last year, the gross output value of the building industry of ownership by the whole people provincewide came to 5.479 billion yuan, a decrease of 16.1 percent over the previous year; all-personnel per capita productivity was 22,002 yuan, a 1.3-percent drop.

Remarkable achievements were made in geological survey work last year. Tunneling footage completed in 1990 totaled 23,890 meters; the year registered new discoveries of 10 mineral reserves, including gold, lead, zinc, limestone and rare earth.

4. Transportation, Posts and Telecommunications

With a turn for the better in the province's production conditions for communications and transportation, the strained condition in transportation continued to relax somewhat. The volume of cargo handled and the volume of passenger transportation in 1990 increased somewhat from the previous year; but there was imbalance in the development of various communications and transportation departments. The transportation volume handled by civil aviation increased markedly, but the volumes of waterway and railway passenger transportation and the volume of cargo handled at major seaports registered decreases.

Volumes of passengers and cargo handled by various means of transportation were as follows:

	1990 (all in billions)	Increase over 1989 (percent)
Volume of cargo	221.406 billion tonne/km	5.9
—Railway	17.953 billion tonne/km	6.6
—Highway	0.612 billion tonne/km	-3.8
—Waterway	202.102 billion tonne/km	5.9
—Air	0.090 billion tonne/km	26.8
—Oil/gas pipes	0.649 billion tonne/km	-0.5
Volume of passengers	30.108 billion person/km	3.1
—Railway	8.257 billion person/km	-2.1
—Highway	15.702 billion person/km	1.5
—Waterway	1.792 billion person/km	-8.2
—Air	4.357 billion person/km	30.1
Volume of cargoes handled at major seaports	0.06891 billion tonnes	-4.7

Post and telecommunications departments further augmented infrastructural installation building, management and operation, with satisfactory results in production and construction. The annual operational volume in

post and telecommunications was 1.48 billion yuan, up by 43.3 percent from the previous year. Long-distance and intercity lines increased by 57.1 percent and 40.5 percent, respectively, and express delivery volume increased by 13.6 percent. The number of new telephones installed in urban and rural areas came to 556,000, of which 363,000 were in urban areas and 193,000 in rural areas. Three new post processing centers were built provincewide.

5. Domestic Commerce, Supply, and Marketing

Marketing of consumer goods on the home front turned from sluggish to stable, then picked up. Social retail sales value totaled 73.225 billion yuan, up by 3.8 percent over the previous year. When price increases were factored in, the actual increase was 8.6 percent. Of the total retail sales, consumer goods value was 66.736 billion yuan, up by 4.9 percent, while retail sales of farm production materials and equipment reached 6.489 billion yuan, a drop of 6.2 percent.

Of the retail sales by economies in various sectors, commerce in the state-owned sector grew by 2 percent; in the collective sector there was a cutback of 4.7 percent; in the joint-venture sector, it was up by 6.1 percent; and in the individual sector, there was an increase of 9.3 percent. A 16.9-percent rise was registered in the transactions between farmers and nonagricultural people.

Regarding sales volume of major consumer goods, food-stuff sales universally increased, of which eggs increased by 11.6 percent and aquatic products by 32.2 percent; clothing sales dropped to varying degrees, of which chemical fiber fabrics dropped by 21.5 percent and woolen fabrics 52.5 percent. Other necessities' sales conditions varied; some increased, and others dropped, of which sewing machines were down by 15.3 percent, while sales of color television sets and household washing machines picked up by 31.6 percent and 8.4 percent, respectively.

There was a drastic drop in the economic results of commercial enterprises. In 1990, profit realized by state-owned commerce and by supply and marketing cooperatives dropped by 75.4 percent over the previous year, and the volume of deficits of enterprises suffering from losses increased by 50 percent; there were difficulties in the circulation of funds.

Beginning with the last quarter of 1990, the production material market took a turn for the better, though the gross value of production materials purchases and the gross marketing value of materials and equipment of supply and marketing enterprises dropped by 7.3 percent and 6.2 percent, respectively. The consumption of the bulk of major materials and equipment of the state-owned and collective sectors dropped, of which rubber dropped by 5.2 percent, steel products by 4 percent, and cement by 1.7 percent.

In 1990, the general social retail price level dropped by 4.4 percent over the previous year on the basis of the weakening in the price rise range in 1989; that was the

first drop in the annual chain index since the 1985 market price reform. Based on commodity usage division, aside from clothing and publications, the prices of which rose slightly, there were universal price cuts in other commodities, of which foodstuffs dropped by 5.4 percent (effecting a 3-percent cut in the general retail price level), clothing rose by 6 percent, articles of daily necessities dropped by 0.9 percent, and farming production materials dropped by 5.2 percent.

The cost of living index for workers and staff members dropped by 2.6 percent over the previous year.

The general purchase price level of farm and sideline produce dropped by 9.7 percent over the previous year. Of the 126 items of commodities in the survey list, 93 items registered a drop in purchase prices, accounting for 73.8 percent.

6. Foreign Economic Relations and Tourism

Rather great headway was made in the province's foreign economic relations and trade in 1990. The province's 1990 import and export volume came to \$16.309 billion, up by 25.5 percent over the previous year, of which export volume broke through \$10 billion for the first time and reached \$10.56 billion, up by 29.3 percent. As for export volume, export in trade accounted for \$6.16 billion, up by 17.3 percent; the category of "three processings and one compensation" accounted for \$661 million, up by 3.2 percent; and the category of "three kinds of partially or wholly foreign-owned enterprises" accounted for \$3.739 billion, up by 64.2 percent.

There was a cutback in foreign loans, with some improvement in the foreign capital utilization structure. In 1990, 7,196 contracts on utilizing foreign capital were initiated, an increase of 8.4 percent over the previous year. Foreign funds involved in the contracts reached \$3.168 billion, a drop of 12.6 percent over the previous year, while the actual amount of foreign capital utilized was \$2.023 billion, a drop of 15.7 percent over the previous year. Direct investment by foreign businessmen reached \$1.46 billion, up by 26.2 percent, with its proportion in the actual utilized foreign capital rising to 72.1 percent from the 48.2 percent of the previous year. In 1990, 7,132 production projects were imported, with the proportion of imported projects rising to 99.1 percent from the 98.5 percent of the previous year. Also in 1990 there was a rise in the number of projects of such base industries as energy resources, transportation, and telecommunications with input of foreign investment. The province had 12,232 "three kinds of partially or wholly foreign-owned enterprises" registered, an increase of 2,724 over the previous year.

Turnover volume of foreign economic and technological cooperation continued to rise. In 1990, 997 contracts on engineering projects and labor services were initiated, up

to the 1989 level; funds involved in the contracts reached \$98 million, down by 40.8 percent over the previous year. The completed turnover volume reached \$107 million, up by 24.6 percent; the year-end number of people overseas was 8,182, a 7.2-percent increase.

The tourist industry picked up gradually. In 1990, the province attracted 25,2754 million international tourists, up by 5.6 percent from the previous year, of whom 850,070 were foreign visitors, up by 19.3 percent; 6.62 million were Overseas Chinese, up by 40.3 percent; 23,8876 million were from Hong Kong and Macao, and 470,900 were from Taiwan, up by 51.5 percent. Guest houses providing lodgings for international tourists received 5,417 million overnight guests from various parts of the world, up by 38 percent.

7. Special Economic Zones and Coastal Opening Areas

The Shenzhen Special Economic Zone's [SEZ] national economy made steady progress, with its degree of export orientation becoming higher with each passing day. Its gross industrial output value came to 16.471 billion yuan, up by 41.3 percent; of which exported industrial output value reached 9,825 billion yuan, an increase of 54.3 percent, with its proportion in the gross industrial output value rising to 59.6 percent from the 53.2 percent of the previous year. Export volume in foreign trade reached \$2,573 billion, up by 35 percent. Foreign capital in actual utilization was \$477 million, up by 9.9 percent.

The Zhuhai SEZ registered continuous growth in its economy, with increased direct investment by foreign businessmen. The annual gross industrial output value reached 3,616 billion yuan, up by 42.1 percent of which export output value almost doubled. Foreign capital in actual utilization reached \$96 million, of which direct investment by foreign businessmen accounted for \$57 million, a 32.6-percent increase.

The Shantou SEZ continued to expand its foreign capital utilization scope. The annual foreign capital in actual utilization reached \$83.68 million, up by 19.9 percent over the previous year. Export volume in foreign trade reached \$419 million, up by 40.1 percent.

The Guangzhou economic and technological development district enjoyed a momentum of sound progress. In 1990, the volume of investment in fixed assets completed was 306 million yuan, with 189 enterprises built and put into production, of which 120 were in the industrial category. Foreign capital in actual utilization was \$30.71 million, up by 27.3 percent.

Zhanjiang accelerated the building of its economic and technological development district. Its annual gross industrial output value reached 520 million yuan, a 120-percent increase. By year-end, 92 enterprises had been put into production and operation. Export volume in foreign trade was \$36.29 million, up by 78 percent. There was a cutback in the actual utilization of foreign capital. The export-oriented economy of the Zhu Jiang Delta economic opening zone maintained a momentum of steady progress. In 1990, the actual foreign capital utilized reached \$844 million, an increase of 35.3 percent over the previous year. Export volume in foreign trade came to \$3.3477 billion, an increase of 52.7 percent.

8. Science and Technology

Headway was made in scientific and technological undertakings. In 1990, 185 projects yielded results at national and provincial levels, of which four were awarded national prizes for invention, one a national prize for natural sciences, 15 national prizes for progress in science and technological progress, 115 provincial prizes for progress in science and technology, 17 provincial prizes for natural sciences, and 33 "Spark Program" prizes. Based on statistics of 75 projects with economic results that can be directly calculated, they brought in an additional annual output value of 1.63 billion yuan for the state, creating profit and taxes of 167 million yuan, bringing in hard currency of \$9.835 million.

Research in basic applied sciences continued to be augmented. In 1990, 110 scientific research projects were conducted with financial aid from the provincial Natural Sciences Foundation, increasing by 23 over the previous year, with the aid volume involving 2 million yuan.

All plans for scientific and technological development made sound progress. Projects in seven key fields, including electronic information, biological engineering and new materials involved an investment volume of 184 million yuan, with 40 percent of the projects completed and put into production in the same year. The "Spark Program" scored marked results in reinvigorating farming with science and technology, and in promoting the shaping of regional industry. By the end of 1990, 469 projects had been arranged (including projects of transfer accounts), with an investment volume involving 820 million yuan, an accumulated output of 2.6 billion yuan, an increase in profit and taxes of 390 million yuan, while bringing in hard currency of \$96.3 million through export. In 1990, 471 professional organs of technological development were founded in large and medium-type enterprises, with personnel numbering 18,300.

New progress was made in science and technology in economic construction and management in social life. In 1990, the province formulated local standards in 23 aspects; international or quasi-international standards were adopted for 163 varieties of products by 136 enterprises. Mapping

departments drew 1,693 maps in various scales, and published 23 maps for the public. Work in science and technological services of meteorological, seismological and marine departments was augmented.

The technological market was active, and rather great progress was made in patent rights work. Throughout the province, 5,813 technological contracts were initiated, involving a transaction volume of 203 million yuan, up by 130 percent and 45.2 percent, respectively, over the previous year. Applications for patent rights handled numbered 1,947, with 889 cases approved, up by 52.6 percent and 30.2 percent, respectively.

The contingent of scientists and technicians grew. In 1990, units of ownership by the whole people boasted 640,000 professionals and technicians in various categories (excluding personnel from central organs stationed in Guangdong). Among them, 349,000 were scientists and technicians of natural sciences, an increase of 5.3 percent over the previous year. There were 293 independent scientific research and development organs and organs rendering service in science and technology of ownership by the whole people at and above city levels throughout the province, with 32,000 workers and staff members. Among them, 13,000 were scientists and engineers. Mass activities in science and technology were increasingly invigorated with each passing day.

9. Education and Culture

To meet the needs of improving educational quality, the scope of general tertiary education was somewhat under control. In 1990, the province boasted 45 institutes of tertiary education, and enrolled 1,125 postgraduates, an increase of 8.7 percent over the previous year, while the number of postgraduates on campus was 3,390, a decrease of 12.7 percent. General institutes of tertiary education enrolled 29,600 freshmen, up by 1 percent from the previous year; the number of college students on campus was 96,000, a decrease of 4.4 percent; the number of graduates was 33,700, up by 28.6 percent.

Secondary vocational and technical education enjoyed steady development. In 1990, there were 857 intermediate vocational and technical schools in various categories provincewide, with 384,800 students on campus, an increase of 7.3 percent over the previous year. The proportion of students in this category rose to 51.6 percent from the 50.5 percent of the previous year in the number of students at secondary school.

The degree of compulsory education increased somewhat. In 1990, the number of junior middle school pupils in school was 1.9897 million, and that of primary school pupils 7.4729 million, with the attendance rate reaching 99.25 percent, up by 1.5 percentage points from the previous year. The proportion of primary school graduates entering secondary school was 87.56 percent, up by 3.06 percentage points from the previous year. There were 30 counties (districts) throughout the province which passed examination and acceptance of the popularization of nine-year compulsory education.

Rectification was conducted with regard to adult education. The number of adult students of tertiary education on campus reached 87,200, and of intermediate vocational education, 96,300, a cutback by 5.8 percent and 5.3 percent, respectively, from the previous year. The number of adult secondary education students at school was 50,500, a cutback by 29.5 percent from the previous year. The number of adult primary education students was 1.0417 million, up by 12.4 percent.

Cultural undertakings continued to develop. In 1990, the province's movie industry turned out 12 features and distributed 194 new movies; by year end, the province had 4,024 movie projection units in various categories, 130 performing art troupes, 113 cultural centers, 103 public libraries, 106 museums, 87 radio broadcast stations, 12 medium-wave radio broadcast stations and 12 relay stations, 39 television broadcast stations, and 23 television broadcast and relay stations with power above 1,000 kilowatts. In 1990, the province published 1.38 billion copies of newspapers, 113 million copies of journals of various categories, and 280 million books and pictures.

10. Public Health, Sports, and Environmental Protection

Public health undertakings developed steadily, with medical treatment conditions further improved. By the end of 1990, there were 114,100 beds in all hospitals throughout the province, up by 2 percent from the previous year. The number of professional public health workers was 194,800, up by 1.4 percent over the previous year. Among them, there were 81,100 physicians, up by 3 percent, and 48,500 nurses, up by 3.2 percent. By the end of 1990, the rural population drinking clean water was 46.8 million throughout the province, a 5.5-percent increase over the previous year. The proportion of the province's children inoculated with four types of vaccines was 94.13 percent.

Pleasing accomplishments were scored in sports. In major world competitions in 1990, the province's sportsmen broke eight world records and won 14 world championships and 44 championships in the Asiad and Asian competitions, and broke 28 national records and won 92 national championships. The Asiad promoted the development of mass sports undertakings. In 1990, 2,910 sports meets at and above county level were held, with the participation of 1.2833 million sportsmen, up by 4.4 percent from the previous year. There were 4.8892 million people attaining the national physical training criteria.

New headway was made in environmental protection, with its quality basically stable. By the end of 1990, the province had set up 119 smoke-control areas and 65 areas with noise control up to standard; the proportion of new projects implementing "simultaneous planning, building and completion of construction projects and relevant environmental protection measures" was 92 percent; and the indexes for treating "waste gas, waste water and industrial residue" were basically up to the

state "Seventh Five-Year Plan" requirements with regard to environmental protection.

11. Living Standards

Demand for consumer goods among the urban and rural population picked up somewhat. A sample survey showed that in 1990, the per capita cash income of the urban population available for living expenses was 2,135 yuan, an increase of 9.6 percent over the previous year; when price factors of living expenditure are considered, the real income increased 12.6 percent. Peasants' annual per capita net income was 952 yuan, a cutback of 0.3 percent over the previous year. When price change factors in expenditure on commodities are considered, real income increased 3.4 percent, but the real income of some peasant households dropped somewhat.

In 1990, work arrangements were made for 428,400 job-awaiting people in urban areas, with a job-waiting rate of 2.2 percent. The number of workers and staff members in the province was 7.8549 million, an increase of 228,900, of which the number of contracted workers and staff members of state-owned units was 765,000, an increase of 108,100.

The wage volume of workers and staff members provincewide was 22.329 billion yuan, an increase of 11.4 percent over the past year. When price change factors are considered, the real increase was 12.3 percent.

Savings deposits of the urban and rural populations grew by a wide margin. The favorable balance of citizens' savings deposits at year end was 75.216 billion yuan, an increase of 20.559 billion yuan over the same period the previous year, up by 37.6 percent.

Housing for both urban and rural residents improved continuously. Floor space of 5.61 million square meters for residential purposes was built in urban areas, and 41.8 million square meters in rural areas.

Social welfare undertakings developed steadily. There were 30,900 beds in social welfare homes of various categories, with 23,400 people in care. On 1.66 million occasions, social relief subjects in various categories in urban and rural areas obtained state relief, while an additional 43,200 households rid themselves of poverty in 1990. Rural social security networks were set up by 13.8 percent of the province's townships and towns, and there were 4,985 community service installations in rural areas.

Headway was made in insurance undertakings. The volume of insured properties in various categories was 364.153 billion yuan, an increase of 37.2 percent over the previous year. There were 47,600 enterprises that insured their properties, 2.5032 million households that insured their family properties, and 16.826 million people purchased life insurance policies. Insurance companies dealt with 102,600 cases involving compensation for domestic property damage, with settlements of 325

million yuan paid, and a sum of 49.65 million yuan was paid to 80,900 people for life insurance compensation.

12. Population

The province's birth rate in 1990 was 22.26 percent, the death rate was 5.76 percent, and the natural growth rate was 16.5 percent, higher than the 14.5 percent of the previous year. At year end, the provincial population of permanent residence was 63.46 million (it was 62.46 million in census statistics). Notes:

1. Figures listed in this communique are initial statistics.
2. Absolute figures for gross output value in various aspects are calculated at 1990 prices, and growth rates are calculated at comparable prices.
3. The bases of all compared indexes are based on the statistics published in "1990 Annual of Guangdong Provincial Statistics."
4. The peasants' per capita net income in 1990 is 952 yuan when the value of the products produced for their own consumption is calculated at the original state prices, therefore this figure is good for comparison with the corresponding data of all previous years; if the value of the foregoing category of products is calculated at the comprehensive average price for contracted purchase, however, the peasants' per capita net income would be 1,043 yuan.
5. The year-end population in the communique is 63.46 million, calculated on the basis of the fourth census of permanent residence, deduced from sample survey figures, which is different from the past method of calculation based on household registration.

Deng Hongxun Attends Contract Signing

HK2103041391 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 19 Mar 91

[Excerpt] The signing ceremony for construction of the Hainan International Science, Technology, and Industry Garden, to be jointly funded by the State Science and Technology Commission, the Hainan Provincial Government, the Sichuan Provincial Government, and the Hong Kong-based Hong Kong Macao International Investment Company Limited was held in (Haibing) Hall of the (Pingyan) Guest House yesterday morning.

Authorised representatives of the four parties: Li Xue, executive vice minister of the State Science and Technology Commission; Hainan Vice Governor Xin Yejiang; Sichuan Vice Governor Han Bangyan; and (Li Yaoqi), chairman of the board of the Hong Kong Macao International Investment Company Limited; signed the agreement.

The ceremony was presided over by Bao Keming, member of the Hainan Provincial CPC Committee Standing Committee and executive vice governor.

Deng Hongxun, secretary of Hainan Provincial CPC Committee attended.

According to the agreement, a coordinating-leading group comprised of 22 members from the four parties was set up, with Li Xue as its chief and Xin Yejiang as deputy chief.

The agreement clearly specifies that the purpose of the Hainan International Science, Technology, and Industry Garden is to set up new export-led industries, which form an integrated system for procurement of supplies and marketing with the production of hi-tech products as its "dragon head," by making full use of the preferential policies granted to Hainan by the central government; to integrate Sichuan's scientific and technological achievements and technological strength with Hainan's advantages in opening to the outside world; and to realize the state's Torch Plan. The garden also will try to achieve internalization of China's industries, promote development of China's hi-tech industries [words indistinct], and speed up coordinated economic, political, and social development in Hainan and Sichuan. [passage omitted]

Hainan Announces Foreign Investment Regulations

HK2103035791 Beijing CHINA DAILY in English
21 Mar 91 p 2

[By staff reporter Huang Yiming]

[Text] Hainan—The Standing Committee of the Hainan Provincial People's Congress has recently approved new regulations to encourage foreign investment in the province.

The Regulations for Foreign Investment in Hainan Special Economic Zone, which consist of 10 chapters and 57 articles, encourages foreign business people to invest in the province's industry, agriculture, communications, transportation, scientific research and tourism.

Under the regulations, overseas businesses can invest in the forms of joint venture, co-operation and solely foreign-funded ventures in areas like the infrastructure and agricultural development projects, such as harbors, airports, highways, railways, coal mines, power stations, and irrigation projects.

According to the regulations, foreign business people who have invested in these areas are allowed to establish other enterprises and service projects. Approved by relevant departments, they can also buy commodities, whose export is not restrained by quotas or controlled by export licences.

Approved by the Bank of China, foreign banks are allowed to open branches, joint venture banks and other financial organizations in the zone.

The regulations stipulate that foreign business people are also allowed to exploit mineral resources in Hainan Island according to the principle of rational exploitation with payment.

In the province, all enterprises with foreign investment and share-holding firms with 25 percent shares held by foreign investors have the right to engage in import and export.

The regulations said the enterprise income tax rate for overseas-funded enterprises in Hainan is 15 percent. Such enterprises are free from local tax.

Hunan Governor on 8th Plan, 10-Year Program

HK2103141691 *Changsha Hunan Provincial Service in Mandarin* 2300 GMT 20 Mar 91

[Excerpts] The provincial government held its plenary session in Changsha yesterday afternoon [20 March] to discuss the report on the outlines of Hunan's 10-year program and the Eighth Five-Year Plan. At the meeting, (Li Zhongshi), deputy secretary general of the provincial government, explained how the report was drafted. Chen Bangzhu, provincial governor, called on all departments to earnestly strive to revise and discuss the report, and make good preparations for the opening of the provincial People's Congress and CPPCC [Chinese People's Political Consultative Conference] meetings. He also spoke on the arrangements for our current work.

In his speech, Governor Chen Bangzhu pointed out: To ensure a successful opening of the provincial People's Congress and CPPCC meetings, first of all, various governmental components should earnestly discuss and revise the report; develop a democratic style of work; and extensively heed the opinions of all sections of society and the various democratic parties and groups so as to make policy decisions in a scientific and democratic way. Conscientious efforts should be made in handling motions, proposals, opinions, and suggestions forwarded by People's Congress delegates, CPPCC members, and the masses of the people. [passage omitted]

When talking about current work awaiting special attention, Governor Chen Bangzhu said: This year is a crucial year for our province's 10-year program and Eighth Five-Year Plan. Therefore, we should make a good start in every field of our endeavor, and should conscientiously study and implement the spirit of the 13th CPC Central Committee's Seventh Plenary Session, as well as the spirit of General Secretary Jiang Zemin's directives during his recent inspection of our province.

Chen emphasized: In rural areas, the current tasks are to make continued efforts to grasp the work of three winters, strengthen management over winter and spring crops, and strive for bigger harvests. It is necessary to firmly grasp the building of water conservancy projects, afforestation and tree-planting, and the overall preparatory work for spring plowing. [passage omitted]

Currently, our province's industrial production still faces various difficulties, such as an ever-growing overstock of goods and decreasing economic efficiency. Therefore, it is imperative to further inspire our vigor and do a good job in implementing various policies and measures on invigorating large and medium-sized enterprises. All departments should act as promoters in the implementation of such policies. [passage omitted]

On the foreign trade front, efforts should be accorded to operating new systems so as to vigorously improve our work, strengthen management in this field, and readjust the product mix for exports. [passage omitted]

In conclusion, Governor Chen stressed: It is necessary to strengthen the building of spiritual civilization, as well as ideological and political work so as to accomplish the goal of simultaneously grasping both material and spiritual civilizations. Departments at all levels should further improve their work style, strictly avoid empty talk, and pay great attention to carrying out their work in a down-to-earth manner. [passage omitted]

Southwest Region

Sichuan Holds Conference on Religious Work

HK2103054491 *Chengdu Sichuan Provincial Service in Mandarin* 1015 GMT 19 Mar 91

[Text] The five-day-long provincial conference on religious work ended in Chengdu today.

This meeting heard the spirit of the national conference on religious work, discussed opinions of the provincial party committee and government on implementing the spirit and earnestly summarized experience in carrying on religious work in Sichuan following the introduction of reform and opening, and defined the relevant tasks for a certain period to come.

Since reform and opening were introduced, Sichuan has conscientiously implemented the party's religious policies and scored marked achievements. The government redressed the wrongs done to a number of religious people who had been unjustly, falsely, or wrongly accused and reversed after reexamination the verdicts on historical cases wrongly passed during the Four Clean-Ups movement [1963-66 movement to clean things up in the fields of politics, economy, organization, and ideology] and the movement to eliminate counterrevolutionaries. Religious activities are now allowed in a number of public places across the province and normal religious activities enjoy the protection of law. In addition the government has strengthened management of religious affairs.

(Li Boyou), deputy secretary of the provincial party committee, and (Xie Zhijie), member of the provincial party committee standing committee and vice governor, made important speeches at the conference. They called on party committees and governments at all levels to implement the spirit of the national and provincial conferences on religious work and to truly strengthen leadership over religious work so as to make contributions to Sichuan's political stability and economic construction.

Sichuan Official Outlines People's Court Work

*HK2103144891 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 20 Mar 91*

[Text] The provincial conference of presidents of intermediate people's courts ended in Chengdu today.

(Li Boyong), deputy secretary of the provincial party committee, delivered a speech on the performance of provincial people's courts.

He said: Last year all levels of provincial people's courts, under the leadership of party committees and the supervision of people's congresses, conscientiously implemented the principle that the preservation of stability is a matter of paramount importance. They also contributed to maintaining social stability; supporting economic improvement and rectification, reform, and opening up; and promoting economic growth.

This year sees the beginning of China's Eighth Five-Year Plan and 10-Year Program. To administer justice properly, we must: 1) Gain a clear understanding of the situation and of the ideological guidance for the court's work; 2) Further strengthen the administration of justice and bring the court's role into full play; and 3) Further strengthen party leadership over the court's work.

Public security police and the court's leading cadres must take the lead in observing the law and set an example of faithfully performing official duties and abiding by the law and discipline. Courts at all levels must strengthen their sense of responsibility to the party, conscientiously place themselves under the party's leadership, ask party committees for advice on their initiatives, and brief party committees on important and complicated cases in a timely manner. At the same time, they should exercise their independent right to hear cases.

Tibetan Deputies to NPC Session Interviewed

*OW2003180291 Beijing XINHUA Domestic Service
in Chinese 0952 GMT 19 Mar 91*

[By reporters Xu Qun (6079 5028) and Duoji Zhandui (1122 0679 0594 1018)]

[Text] Lhasa, 19 Mar (XINHUA)—Spring is in the air in March, and Lhasa is all sunny and green.

The Tibetan deputies and members of the Chinese People's Political Consultative Conference [CPPCC] attending the Fourth Session of the Seventh National People's Congress [NPC] and the National CPPCC Committee, are leaving for Beijing on 18 and 19 March.

Since this year is the 40th anniversary of Tibet's peaceful liberation, the Tibetan deputies and CPPCC members are especially excited about their trip to Beijing and sense deeply the heavy burden on their shoulders.

Deputy Labaciren who just came from Ngari Prefecture, the "Ridge of the Roof of the World," said excitedly to the reporters: "In the past 40 years, thanks to the concern

of the party Central Committee, the support of the people of all nationalities throughout the nation, and the pioneering hard work by the diligent and intelligent people of Ngari, the face of Ngari has undergone a complete change. Last year, despite serious blizzards, the prefecture still managed to keep 2.68 million head of animals, topping the highest record. The prefecture's total industrial and agricultural output value exceeded 38.4 million yuan, and financial revenues reached more than 10 million yuan, reversing the long-standing situation of negative growth. The living standards of peasants and herdsmen keep improving and the problem of food and clothing has been basically solved, with per capita income reaching more than 700 yuan. More than 60 percent of peasants and herdsmen have built new houses, and most families have cassette recorders, sewing machines, carpets [kadian 0595 1067], and other medium- and high-grade articles for daily use. Urban and rural savings deposits exceeded 20 million yuan. Big progress has been made in culture, education, medical service, public health, and other areas. Today's Ngari Prefecture has a stable border defense, the society is in harmony, and the people live and work in peace and contentment."

A commissioner of the prefectural administrative office, who was previously a serf, said that agriculture and animal husbandry are the mainstay of Ngari Prefecture's economy, and that in the future, it will still be necessary to consider the actual local conditions and adopt special and flexible policies accordingly. This time, Deputy Labaciren will carry the mandate of the people of Ngari and will propose to the NPC session to strengthen the construction of transport and energy facilities in Ngari Prefecture.

Sengqen Lozong Gyaincain, member of the National CPPCC Committee and vice chairman of the regional People's Congress Standing Committee, has just returned from an inspection tour in Xigaze Prefecture. In recent years, in order to represent fully the Tibetan people in exercising their democratic rights, this famous living buddha, despite his old age, has traveled to the six big farming and pastoral areas, with the exception of Qamdo, to solicit people's opinions. His conclusion is: The entire society in Tibet is stable; the masses support and are satisfied with the party's current policies; they want stability and development; and they oppose separatism. Therefore, this time he will offer his opinions on two questions of utmost concern to the masses and which are badly in need of a solution: 1) He hopes that the existing policies will remain in force, and that the policy toward Tibet will be carried on for a long time; 2) further perfect the system of free medical service in order to protect the people's health, and accelerate efforts to prevent and control Kaschin-Beck and Keshan diseases.

Qiangbachilie, NPC deputy and president of the regional hospital of Tibetan medicine, supported this opinion. He said: In the past 40 years, under difficult financial circumstances, but for the sake of protecting the Tibetan people's health, the state has appropriated more than 3.1 billion yuan to offer free medical service. This fully

demonstrates the concern of the party and the state for the people in Tibet. The question now is how to use the funds to offer truly good medical service to the peasants and herdsmen. This time he will propose ways to ensure the successful operation of the College of Tibetan Medicine, expand the number of wards of the hospital, and improve medical facilities in Tibet.

Qiangeba Duojiouzhu has been employed in education in Tibet for a long time. Last year, he offered two proposals to the NPC, one on the state's separate enrollment plan for junior middle graduates from Tibetan classes in the hinterland, and the other on the question of hazardous buildings in primary and secondary schools in Tibet. These matters have been properly addressed. He said: This year the state will hold the third conference on intellectual support for Tibet. What Tibet lacks most is talented people. In building socialism, especially in the course of reform and opening to the outside world, Tibet cannot do without the whole nation's support, technical and talent support in particular. Therefore, he will submit a detailed report to the NPC session.

Tibetans' Improved Living Standards Reported

HK2103100191 Beijing RENMIN RIBAO in Chinese
15 Mar 91 p 1

[Dispatch by reporters Chen Hua (7115 5478) and Liu Wei (0491 0251); "Tibetans' Living Standards Have Obviously Improved"—first four paragraphs are editor's note]

[Text] On 23 May 1951 the central people's government signed with the Tibetan local government the "Agreement on the Method To Peacefully Liberate Tibet," opening a new chapter in the history of the roof of the world.

Over the last 40 years, led by the CPC and the people's government, Tibet has achieved the leap from feudalistic serfdom to socialism, with millions of serfs turned into masters of the new society and fully enjoying with other brotherly nationalities of the great family of the motherland various democratic rights. Tibet's economic development rate and the level achieved by Tibetans' living standards are faster and higher than in any previous era in its history. No impartial person can ignore the earth-shaking changes in Tibet over the last 40 years, and all will be happy at Tibet's tremendous change.

There is no need to mince words: Owing to a variety of historical reasons and objective restrictions, the Tibetan region is still a considerable distance behind other regions of the motherland, especially the coastal regions, but what a new world when we compare the present with 40 years ago! This is a great victory resulting from the implementation of the party's autonomy policy on nationality regions and yet another illustration of the superiority of the socialist system.

On the eve of the 40th anniversary of Tibet's peaceful liberation, in order to report Tibet's achievements and changes relatively comprehensively to the country and the

international community, as of today this newspaper will start publishing "Reports From the Roof of the World."

Lhasa, 14 Mar (RENMIN RIBAO)—Since the peaceful liberation 40 years ago, the various nationalities of Tibet, led by the CPC, have persisted in walking the socialist road; Tibet's economic and cultural undertakings have developed rapidly and the people's material and cultural life obviously have improved.

—The productive forces of animal husbandry and agriculture have greatly expanded. Compare 1990 with 1952: The regional gross grain output rose from 155 to 555 million kg; livestock on hand rose from 9.74 million head to nearly 22.8 million; and per capita grain possession was double the amount in preliberation days. At present the problem of having enough to eat and wear for the region's peasants and herdsmen has basically been solved.

—Great improvement in living conditions. Forty years ago the urban area of Lhasa City was less than three square km, and within it there were only 220,000 square meters of residential housing, most of which belonged to nobles, monasteries and government offices, with the urban poor masses living in damp, dark, and narrow fortress-like houses or tents, but Lhasa's residential construction has experienced great development. The urban per capita living area is now nine square meters and the urban area has expanded to 40 square km. It is understood that nearly 80 percent of Tibetan peasants and herdsmen live in new houses they have built for themselves.

—Rapid traffic development. Forty years ago Lhasa City had nothing but unpaved roads and there was not a single automobile. Now it has more than 60 km of paved roads and the region's highways now reach 98.9 percent of its counties and 77 percent of its villages; travelling by car or plane is common for Tibetans. The region now has 20,000-odd civilian cars, and some of the peasants who have become rich have bought cars, tractors, and motorcycles. In 1990, there were 40 automobiles for every 100 peasant and herdsman households.

—People's living standards have obviously improved and have done so at a faster rate following the Third Plenary Session of the 11th CPC Central Committee. Peasants' and herdsmen's per capita income in 1990 amounted to 430 yuan. Recently the demand by the region's peasants and herdsmen for durable consumer goods has continued to increase. According to investigations, in 1990 for every 100 peasant and herdsman households, there were 61 watches and 58 recorders, while in 1985 it was 33.6 and 33.4 respectively. The change in township and town residents' living standards has been even more obvious. In 1990 per capita savings amounted to 318.12 yuan; for every 100 households there were 88 color televisions, 42 washing machines, 24 refrigerators and 26 cameras.

North Region

Inner Mongolia Official on Structural Reform

SK2103031891 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 20 Mar 91

[Text] The regional work conference on economic structural reform was held in Hohhot on 19 March. Attending the conference were Qian Fenyong, Zhang Hangong, and Tu Ke, leading comrades of the regional party and government organizations.

In his speech, Pei Yingwu pointed out: Persistently promoting reform and an open policy during the whole period of the 1990's will be a measure of crucial importance for fulfilling the region's second-step strategic goal of modernization and the three short-term fighting goals of the region. Thus, we must put reform in an extremely important position, and use reform to promote the modernization drive.

Pei Yingwu pointed out: During the 1990's, the region's economic structural reform will be focused on establishing an enterprise system suitable for socialized production with a view to making most enterprises in the region become vigorous commodity producers and operators that, under the guidance of state policies and regulations, are basically independent in operation, responsible for their own profits and losses, and capable of developing and restricting themselves. Meanwhile, the region's economic structural reform will be focused on cultivating and establishing a socialist market system under which all markets are subject to unified management and equal competition, open to the outside, and are perfect in specifications. Under the prerequisite of maintaining unanimity with the state's reform objectives, we should establish the region's system of macroeconomic regulation and control, and positively and vigorously create conditions for promoting the reform of an economic operating mechanism in which planning, finance, banking, and pricing are well coordinated with one another. In the course of constantly consolidating and expanding the economy owned by the whole people, we should establish a reasonable structure of ownership. We should positively develop the urban and rural collective economic sector, and make great efforts to develop the individual and private economic sectors as well as three forms of enterprises involving foreign capital in order to make them occupy a due proportion in the national economy of the region. We should establish an individual income distribution system that gives to each according to his work as the main form, supplemented by other modes of distribution; should establish a social security system; basically rationalize the economic relations between the central and regional authorities, between the region and the various leagues, cities, banners, and counties, among the state, enterprises, and individuals, and among urban, rural and pastoral areas; and establish a new pattern of opening to the outside.

With regard to the eight major matters relating to economic structural reform the region should attain

through great efforts during the Eighth Five-Year Plan. Pei Yingwu gave first priority to invigoration of enterprises, state-run large and medium-sized enterprises in particular. Pei Yingwu pointed out: To invigorate enterprises, we should proceed from internal and external fields. When viewed from within, the enterprises first should attend to the reform of personnel, employment, and distribution systems, and try every possible means to arouse the initiative of their leaders, cadres, and workers. Second, enterprises should strengthen and improve management, and strive to manage themselves in line with the requirements of modernized production. When viewed from outside, various localities and departments should conscientiously examine how the enterprise laws are implemented, should truly delegate to enterprises those decision-making powers that should be delegated as stipulated by the party Central Committee, the State Council, and the region. Various localities and departments should resolutely check unjustified financial levies, service charges, fines, and examinations in order to truly reduce the burdens on enterprises. They also should conscientiously study new problems facing enterprises, and draw up feasible policies and measures for solving these problems. They should constantly improve their work style and work methods, strengthen the sense of rendering service to enterprises, and strive to improve the external environment of enterprises.

Progress of Tianjin Development Zone Viewed

OW2103185491 Beijing XINHUA in English
1303 GMT 21 Mar 91

[Text] Tianjin, March 21 (XINHUA)—After six years' efforts, the Tianjin development zone has been converted from a stretch of barren beaches turned into an export-oriented industrial zone.

In late 1983, Li Ruihuan, who was then mayor of Tianjin, proposed the establishment of a development zone around Tianjin Harbor. Deng Xiaoping supported the proposal, and, in February 1984, ordered that the country open several coastal zones.

In the spring of 1984, the Chinese Communist Party Central Committee and the State Council convened a forum on opening 14 coastal cities. On December 6 of the same year, the State Council approved the establishment of the Tianjin development zone.

The Tianjin municipal government only allocated 400,000 yuan (80,000 U.S. dollars) for the establishment of the zone. However, the development zone has grown quickly while relying on loans.

So far, a three square kilometer industrial district and a 1.2 kilometer residential district have been set up. Businessmen from 21 countries and regions have already come to invest in the zone.

Last year, the zone's total output value reached 919 million yuan; the industrial output accounted for 780 million yuan. Moreover, the per-capita gross domestic

product and the per-capita profit volume in the zone amounted to 25,000 yuan and 17,000 yuan, respectively, last year.

The zone's revenue has been increasing at an average annual rate of 30 percent, with revenues reaching 100 million yuan last year.

During the same period, the zone's export volume amounted to 63.7 million U.S. dollars. The zone exports about 40 percent of its products each year.

Northeast Region

Sun Weiben Instruction on Case Investigation

SK2103031591 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 20 Mar 91

[Text] Sun Weiben, secretary of the provincial party committee, recently outlined the problem of the (Nanshan) inspection station in Wuchang County's Shanhe, where power was abused to ask for money and materials to line pockets. He called for prompt investigation and strict punishment. Wuchang County promptly investigated the problems of (Li Yunjian), director, and (Hou Lijun), (Wu Defa), and (Lu Minghai), workers of the (Nanshan) inspection station in Shanhe, and dealt with them strictly.

On 4 December 1990, the Yongji County local product company of Jilin Province purchased three truckloads of rice from the (Zhiguang) supply and marketing cooperative of Wuchang County. The trucks were stopped by (Li Yunjian) and three others when they approached the (Nanshan) station. (Li Yunjian) asked for 4,000 yuan as a fine. The other party pleaded repeatedly, and finally was let go after they paid 300 yuan and four sacks of rice. The money was shared by (Li Yunjian) and (Hou Lijun), and the rice was to be shared by these four persons.

After investigations, Wuchang County also verified that on 22 November last year, (Hou Lijun) stopped a truck delivering soybeans from Shanhe Town to Shulan County of Jilin Province, and did not let the truck owner go until he had paid 100 yuan. In late November last year, (Li Yunjian) and three others stopped a truck delivering soybean cakes. (Li Yunjian) let the truck pass after he collected 100 yuan from the truck owner. The money was shared equally by the four.

During the campaign to correct unhealthy trends in some trades, (Li Yunjian) and three other continued to abuse power to ask for money and materials to line their pockets, thus causing an extremely bad impact on the people in and outside the province. The pertinent departments of Wuchang County decided to expel (Li Yunjian), (Hou Lijun), (Wu Defa), and (Lu Minghai) from the contingent of inspection personnel, and to send them back to the original units where they belonged. As (Lu Minghai) was a temporary worker, he was dismissed. (Li Yunjian) was deprived of his status as a probationary party member, and had a serious administrative demerit

recorded on his record as punishment. (Hou Lijun) and (Wu Defa) were punished by having an administrative demerit recorded on their records. (Li Yunjian) and the three others were ordered to hand over all the money and materials they collected to higher authorities.

Harbin Elects Li Jiating New Mayor

SK2103021291 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 20 Mar 91

[Text] At the fifth session of the ninth Harbin City People's Congress, which concluded on 20 March, 47-year-old Li Jiating was elected mayor of Harbin City.

Li Jiating is of the Li nationality and from Shiping, in Yunnan Province. He graduated from Qinghua University in 1968 and was elected vice mayor of Harbin in May 1985.

Heilongjiang Reports Coal Mine Restructuring

SK2103050391 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 20 Mar 91

[Text] Through structural adjustment, local coal mines of our province will increase their raw coal output by 3.8 percent over that of last year, and the deficits of the coal mines directly under the province will drop by 30 percent.

As local coal mines of our province are concentrated in the eastern area of the province, coal has to be delivered from the eastern to the western area. To resolve this contradiction, our province will emphasize the construction of coal mines in the western area of the province this year. The provincial coal industrial administration has decided to use two-thirds of its geological prospecting funds in the prospecting of the western area of the province. Manpower and material resources should be mustered to accelerate the construction of the new No. 151 coal mine in Heibaoshan, and the annual investment of 7 million yuan should be ensured. Through the adjustment of production layout, we should enable coal pits, mining areas, and coal faces to be relatively concentrated so as to raise the utilization of coal pits, and change local coal mines' current unbalanced mining and lack of strength for sustained development. In the process of adjustment, we should attach equal importance to the development and protection of the more than 1,600 existing township coal mines throughout the province, and enliven and manage them well.

We should dually establish associations designed to carry out intensive production. Areas where coal pits are widely dispersed should organize joint management groups in line with their geographical distribution, and coal pits the annual capacity of which exceeds 10,000 tons also may apply the shareholding system to pool funds for technical transformation.

In the processing of raw coal, our province plans to build five coal dressing plants this year. First-phase preparations for four of them have been completed. So far,

nearly 2 million yuan has been invested in the (Qingshan) coal dressing plant in Linkou County.

Quan Shuren Awards Titles to Units for Work

SK2003101391 *Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 19 Mar 91*

[Excerpts] This afternoon, the provincial government held a television broadcasting meeting to commend the cities and advanced units winning the 1990 competition on increasing production and practicing economy and increasing revenues and cutting expenditures [hereafter called the "double-increase and double-decrease" competition] and to commend enterprises winning the efficiency cup competition as well as some advanced enterprises and the state first-class enterprises. The meeting was for mobilizing all localities, departments, and enterprises in the province to conscientiously learn from the experiences of advanced localities and units; for continuously unfolding the "double-increase and double-decrease" activities, with the quality, variety, and efficiency year as its major content; and for struggling for comprehensive fulfillment of the provincial economic and social development plan.

In 1990, under the situation of the economic work facing relatively more difficulties, various localities, departments, and enterprises in the province positively organized and mobilized the vast numbers of cadres and the masses to continuously and profoundly launch the "double-increase and double-decrease" competition, the efficiency cup competition, and the enterprise upgrading activity. By greatly tapping internal potential and working hard to overcome difficulties, these localities, departments, and enterprises played a positive role in overcoming economic difficulties, stopping economic decline, and promoting the improvement of economic efficiency. As a result, the province saw a number of localities, departments, and enterprises making marked results in increasing production and practicing economy, increasing revenues and reducing expenditures, being outstanding in enterprise management, and achieving simultaneous increases in production and efficiency. [passage omitted]

Quan Shuren, secretary of the provincial party committee, and Yue Qifeng, governor of the province, gave awards to the units winning glorious titles.

Vice Governor Wen Shizhen made a mobilization speech on unfolding the quality, variety, and efficiency year activities throughout the province. [passage omitted]

Northwest Region

Gu Jinchi Attends Gansu Public Order Meeting

HK2103145991 *Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 19 Mar 91*

[Text] The provincial party committee Standing Committee held a meeting yesterday afternoon [19 March] on

the comprehensive improvement of public security, which was presided over by provincial party Secretary Gu Jinchi.

At the meeting, Standing Committee members listened to a report on the national work conference on the comprehensive improvement of public security, and subscribed to the implementation suggestions of the provincial Commission for Political Restructuring.

Participants held that our province should regard the spirit of the Seventh Plenary Session of the 13th CPC Central Committee as the guiding ideology, and earnestly implement the spirit of the national work conference on the comprehensive improvement of public security, as well as decisions respectively made by the CPC Central Committee, the State Council, and the National People's Congress Standing Committee on strengthening the comprehensive improvement of public security. While persistently carrying out the crackdown campaign to rectify public order, it is necessary to place the focal point on the comprehensive improvement of public security; extensively mobilize and rely on the masses under the unified leadership of party committees and governments at all levels; and make up our minds, devote our efforts, and try in every possible way to bring about greater progress in our work so as to score remarkable improvements in public security within this year. In addition, strides should be made, within the coming several years, in pushing the work of comprehensively improving public security in our province to new heights, thus bringing about the sound development of public security throughout the province.

On analysis of the current situation in our province, the meeting considered that the situation of public security is good on the whole, but there still are many conspicuous problems, and we still face extremely arduous tasks in the political and legal fields.

The central point in carrying out the work of comprehensive improvement in public security is to implement the principle that whoever is in charge will assume responsibility. All departments should be clear about their own responsibilities, and join hands in earnestly undertaking their social obligations in maintaining public order. Party committees and governments at all levels should place the work of comprehensively improving public security high on their agendas, grasp it earnestly, and have it checked on at each level in a thoroughgoing way.

Public security organs should persist in following the line of the masses, learn to involve the masses in the work, and arouse them to do a good job in the comprehensive improvement of public security, thus giving rise to a situation in which everybody shouts: Kill it! when a rat runs across the street so that criminals find no place to hide.

Issues including the establishment of reeducation centers also were discussed during the meeting.

Song Hanliang Attends Party Congress Close

OW2103145891 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 19 Mar 91

[By station reporters (Chen Junzhi), (Guo Yuling), (Zhou Xiaoying); from the "Xinjiang News" program]

[Text] The six-day long Fourth Congress of the Xinjiang Uygur Autonomous Regional CPC Committee closed this afternoon at the Xinjiang People's Hall after accomplishing all its designated tasks. [Video shows long shots of an auditorium where participants are seen taking their seats on a rostrum; a red streamer inscribed in Chinese hangs across the rostrum, it reads: "The Fourth Congress of the Xinjiang Uygur Autonomous Regional CPC Committee"; the backdrop of the rostrum shows a hammer and sickle centered against a yellow background, with 10 large triangular red flags on the left and right]

Attending the meeting and seated at the front row of a rostrum were Wang Enmao, Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, Amudun Niyaz, Zhang Sixue, Zhang Fusen, Ba Dai, Keyum Bawudun, Tang Guangcai, Shi Geng, Guo Gang, Feng, Dazhen, Hailiqemu Silamu, and Zhou Guofu, acting chairmen of the meeting. [Video shows medium shots of participants as their names are read out] Central Organization Department Head Lu Feng, who came especially to direct the meeting, also was seated in the front row of the rostrum. The meeting was chaired by Comrade Song Hanliang. [Video shows closeup shots of Song Hanliang seated and speaking from a script]

[Begin Song Hanliang recording] The meeting begins now. There are two items on the agenda of today's meeting. The first, to elect members and alternative members to the Fourth Xinjiang Uygur Autonomous Regional CPC Committee, members of the Advisory Committee of the Xinjiang Uygur Autonomous Regional CPC Committee, and members of the Discipline Inspection Commission of the Xinjiang Uygur Autonomous Regional CPC Committee. The second, to adopt resolutions on a report by the committee of the Fourth Congress of the Xinjiang Uygur Autonomous Regional CPC Committee, a work report by the Advisory Committee of the Xinjiang Uygur Autonomous Regional CPC Committee, and a work report by the Discipline Inspection Commission of the Xinjiang Uygur Autonomous Regional CPC Committee. [end recording]

Of a possible 548 deputies, 530 participated in today's election, meeting the necessary number of required deputies.

The deputies cast secret ballots to elect 47 members and nine alternate members to the Fourth Xinjiang Uygur Autonomous Regional CPC Committee, 26 members to the Advisory Committee of the Xinjiang Uygur Autonomous Regional CPC Committee, and 28 members to the Discipline Inspection Commission of the Xinjiang Uygur Autonomous Regional CPC Committee. [Video shows deputies writing on pieces of paper, then placing them in boxes]

Deputies who did not participate as deputies at the party congress and some responsible comrades of relevant units attended as observers. The deputies were members and alternative members of the Third Xinjiang Uygur Autonomous Regional CPC Committee, members of the autonomous regional Advisory Committee, and members of the autonomous regional Discipline Inspection Committee.

Invited as observers at the meeting were vice chairmen of the autonomous regional People's Congress who are party members and who did not hold positions as deputies at the party congress, vice chairmen of the autonomous regional Chinese People's Political Consultative Conference [CPPCC] Committee who are party members, and veteran comrades who once held second-highest leading posts at the provincial level in the autonomous region and received treatment accorded their positions upon or after their retirement. Also invited to the meeting as observers were retired former Standing Committee members of the autonomous regional Advisory Committee; the deputy commander, deputy political commissar, and members of the advisory organ of the Production and Construction Corps of the Xinjiang Military District along with retired leading cadres who are party members and who once were deputy commanders and deputy political commissars of the corps; responsible persons of various democratic parties and federations of industry and commerce in the autonomous region; and patriotic nonparty members.

The meeting unanimously approved resolutions on a report on the Third Xinjiang Uygur Autonomous Regional CPC Committee, submitted by the Fourth Congress of the Xinjiang Uygur Autonomous Regional CPC Committee; a work report by the Advisory Committee of the Xinjiang Uygur Autonomous Regional CPC Committee; and a work report by the Discipline Inspection Commission of the Xinjiang Uygur Autonomous Regional CPC Committee.

[Begin Song Hanliang recording] From beginning to end, this meeting was conducted in a democratic, united, and lively atmosphere. The deputies fluently discussed a wide range of subjects, spoke freely, and conscientiously executed the power and duties designated by the party constitution. Thus the meeting was carried out in a genuinely enthusiastic and united way that will invigorate Xinjiang. [Video shows medium shots of Song Hanliang seated and speaking from a script]

This meeting was held during an important historical moment; it is extremely important in the history of our autonomous regional party. Success in holding this meeting will greatly and deeply affect the socialist modernization and the various causes undertaken by our autonomous region. Following the meeting, party organs at all levels and the vast numbers of CPC members in Xinjiang should resolutely follow the party's basic line, fully implement the guidelines of the meeting, conscientiously carry out all the resolutions adopted by the meeting, work hard to fulfill all the tasks proposed at the

meeting, and unite and lead all nationalities to implement the Eighth Five-Year Plan and the 10-year program with high spirit and vigor. They should work hard to advance Xinjiang's socialist modernization and reform and its opening to the outside world during their great march toward building socialism with Chinese characteristics. [end recording]

The Fourth Congress of the Xinjiang Uygur Autonomous Regional CPC Committee closed successfully amid the solemn music of the Internationale. [Video shows participants standing as music is heard]

Congress Resolution

OW2103145791 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 19 Mar 91

[Resolution of the Fourth Congress of the Xinjiang Uygur Autonomous Regional CPC Committee on the report of the Third Xinjiang Uygur Autonomous Regional CPC Committee; 19 March—read by announcer; from the "Xinjiang News" program]

[Text] The Fourth Congress of the Xinjiang Uygur Autonomous Regional CPC Committee approved the report delivered by Comrade Song Hanliang on behalf of the Third Xinjiang Uygur Autonomous Regional CPC Committee. The congress fully affirmed the achievements of the Third Xinjiang Uygur Autonomous Regional CPC Committee during the past seven years. The congress maintained that the seven-year period since 1984 was one during which the older generation of the leading collective in the regional party committee passed the party's work to and cooperated with the young in order to carry the work forward. Under the correct leadership and the concern of the CPC Central Committee, the regional party committee united the large number of Communist Party members and cadres and people of all nationalities throughout the region to work together. Thus, the region made remarkable achievements in various kinds of work, and its appearance changed greatly.

At present, the region's political situation is stable, its economy is developed, people of various nationalities are united, its border defense is consolidated, and the well-being of various nationalities is much improved. This is one of the best periods the region has ever experienced in history.

The congress spoke highly of Comrade Wang Enmao for his significant dedication to and distinguished achievements in Xinjiang's socialist development, maintaining the unification of the motherland, promoting solidarity among various nationalities, and in supporting the work of the new panel of the regional party committee during the long period when he was in charge of the work in Xinjiang and of the regional Advisory Committee.

The congress maintained that the report delivered by Comrade Song Hanliang on behalf of the third autonomous regional party committee had followed the basic line of

focusing on economic construction, adhering to the four cardinal principles, and adhering to reform and open policy. It also followed the guidelines of the Fourth, Fifth, Sixth, and Seventh Plenary Sessions of the 13th CPC Central Committee, as well as the important instructions and guidelines of Comrade Jiang Zemin during his inspection tour in Xinjiang. The report was in complete conformity with the actual situation in Xinjiang. According to the principle of seeking truth from facts, the report summarized the work and experience of the third autonomous regional party committee during the past seven years. It analyzed and pointed out the existing problems and weaknesses in Xinjiang, and definitely put forward the guiding thoughts, basic tasks, objectives, principles, policies, and measures on Xinjiang's socialist materials and spiritual construction over next five years. The report is of great guiding significance in carrying out various kinds of work in the region in the future.

The congress called on the large number the communist party members and people of all nationalities around the region to unite closer, work with one mind and in a down-to-earth manner, confidently and bravely stride along the road of socialism with Chinese characteristics, and struggle for achieving Xinjiang's sustained stability and development under the leadership of the CPC Central Committee, with Comrade Jiang Zemin as the nucleus.

Song Hanliang Reelected Xinjiang Secretary

OW2003195991 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 20 Mar 91

[From the "Xinjiang News" program]

[Text] The First Plenary Session of the Fourth Xinjiang Uygur Autonomous Region Party Committee began in Urumqi today. [Video shows long shots of a stage under a red streamer inscribed in both the Chinese and Uygur languages, reading: "The First Plenary Session of the Fourth Xinjiang Uygur Autonomous Region Party Committee"; video cuts to show closeups of Tomur Dawamat, chairman of the Xinjiang Regional People's Government; shots of other members of the regional party committee; and medium shots of participants standing in line to cast votes; video then cuts back to show closeups of Song Hanliang, Tomur Dawamat, Janabil, and other Xinjiang leaders]

The plenary session this morning elected the Standing Committee members, secretary, and deputy secretaries of the Fourth Xinjiang Uygur Autonomous Region Party Committee. They are:

Standing committee members: Song Hanliang; Tomur Dawamat, Uygur nationality; Janabil, Kazak nationality; Li Shoushan; Amudun Niyaz, Uygur nationality; Zhang Fusen; Keyum Bawudun, Uygur nationality; Tang Guangcui; Guo Gang; Zhou Shengtao; Zhou Guofu; and Hailiyimu Silamu, Uygur nationality;

Secretary: Song Hanliang

Deputy secretaries: Tomur Dawamat, Uygur nationality; Janabil, Kazak nationality; Li Shoushan; Amudun Niyaz, Uygur nationality; and Zhang Fusen. [Video shows closeups of individual leaders as their names are announced]

Xinjiang Regional National Security Meeting

*OW2103153591 Urumqi XINJIANG RIBAO in Chinese
5 Mar 91 p 1*

[By correspondent Wang Jun (3769 6511)]

[Text] A regional meeting of directors of national security departments and bureaus was held in Urumqi from 25 February to 1 March. When delivering a speech at the meeting, Ba Dai, Standing Committee member of the Xinjiang Regional CPC Committee and secretary of the regional Political Science and Law Commission, stressed that we should strengthen national security work and the struggle on the covert battlefield.

Comrade Ba Dai said: Under the leadership of the regional party committee and people's government, Xinjiang's national security departments made due contributions to the regional political stability and economic development in the past year. The national security organs at various levels in the region should earnestly study and implement the important instruction given, on the CPC Central Committee's behalf, by Comrade Qiao Shi that "we should unceasingly strengthen national security," have a clear understanding of the task of struggle against "Xinjiang's main danger from national

separatist forces inside and outside the region," and play an even greater role in safeguarding national security and maintaining political, economic, and social stability in the region.

Xinjiang Develops Satellite Telecommunications

*OW2103144991 Beijing Central Television Program
One Network in Mandarin 1100 GMT 20 Mar 91*

[From the "National News Hookup" program]

[Text] As a result of the implementation of deepened reforms and the open policy, as well as the progress made in economic development, Xinjiang's satellite telecommunication industry has developed rapidly. Five satellite telecommunication ground stations have been built in Xinjiang: in Urumqi, in Hotan Prefecture, in Yining, in Kashi Prefecture, and in Kuqa County. Together they form a modernized telecommunication network, with Urumqi as the central station. [Video shows three satellite dishes and a transmission tower, then cuts to show workers putting small parts into circuit boards at a ground station]

Today, direct calls to more than 600 cities in China and over 160 foreign countries can be made from telephones in Urumqi. This has strengthened Xinjiang's contact with other regions in the country and the world, and has fundamentally transformed Xinjiang's closed and backward state of transportation and telecommunications.

Official Asks Direct Exchanges With Taiwan

OW2203092991 Beijing XINHUA in English
0908 GMT 22 Mar 91

[Text] Beijing, March 22 (XINHUA)—A CPPCC official called for earlier direct exchanges and two-way contacts between the two sides of the Taiwan Strait here today.

Zhang Qia, deputy secretary-general of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), made this call in response to a question from a Taiwan journalist at a news conference here this afternoon.

Zhang, himself a Taiwan compatriot, said that direct postal service, air and shipping services and trade between the two sides of the Taiwan Strait should be speeded up.

The CPPCC National Committee, he added, has set up a special subcommittee to handle affairs for the promotion of friendship and unity with Taiwan compatriots. "We will work more actively to promote the development of relations between the two sides of the Taiwan Strait," he said.

He said the CPPCC received more than 300 people in 21 delegations and groups from Taiwan and indirectly received 18 other delegations and groups of more than 500 people from Taiwan last year. The Taiwan visitors were scholars and experts of political, economic, academic and other circles.

In response to a question about the recent disqualification of CPPCC membership of Qian Jiaju and Fan Zeng, CPPCC spokesman Lu Zhichao said the matter was handled in accordance with the procedure prescribed in the constitution of the CPPCC for the nomination and disqualification of membership of the organization.

Cross-Strait Trade Meeting Closes in Shanghai

OW2203060691 Beijing XINHUA Domestic Service
in Chinese 0835 GMT 18 Mar 91

[By correspondent Tong Peixing (4547 1014 1630) and reporter Zhou Xierong (0719 6043 5554)]

[Text] Shanghai, 18 Mar (XINHUA)—The two-day 1991 consultative conference of the Economic and Trade Coordination Committee for the Two Sides of the Straits and the Coordination Committee for Cross-Strait Commercial Affairs closed in Shanghai yesterday.

A set of "mediation regulations," jointly drafted by the two coordination committees, for providing assistance in solving disputes over economy, trade, transport, and other commercial issues between interested parties on the two sides of the Strait, was adopted officially during the conference. Meanwhile, the two coordination committees also agreed to jointly hold symposiums on the cross-strait issues concerning trademarks and patents, consultative services, and trade and investment; as well

as to run a special study course on investment in the mainland by Taiwan businessmen, and other activities this year.

During the conference, both coordination committees maintained that they should continue playing their positive role in promoting the realization of direct cross-strait economic and trade exchanges as soon as possible.

Official on Taiwan 'Reunification Program'

OW1603071491 Beijing XINHUA Domestic Service
in Chinese 0857 GMT 15 Mar 91

[Text] Beijing, 15 Mar (XINHUA)—A XINHUA reporter recently interviewed a responsible person concerned in the PRC on the "National Reunification Program" adopted by the Taiwan authorities. The responsible person said: Motherland reunification and the vigorous development of China are the great hope and sacred mission of all Chinese people. During the past 10 years or so, the CPC upheld the policy of "Peaceful Reunification and One Country, Two Systems" to achieve total reunification of the motherland. After the Standing Committee of the National People's Congress released the "Letter to Taiwan Compatriots" in 1979, CPC and state leaders delivered a series of important remarks, expounding explicitly the policy for reunifying the motherland. Practice has proven that the principles and policies proposed by our party are practical and extremely farsighted, and that they promote the development of cross-strait relations toward peaceful reunification. Now, the Taiwan authorities also have formulated a document called the "Reunification Program." The document is a meaningful gesture by the Taiwan authorities on the reunification issue. We appreciate the document's advocacy that there is only one China and that China should reunify, and its agreement to "open direct exchanges of mail, air, and shipping services, and trade between the two sides of the Taiwan Strait" [three exchanges] and "promote mutual visits by ranking personnel across the Taiwan Strait."

The responsible person said: However, the document also sets some unreasonable conditions for artificially delaying the realization of the direct "three exchanges" and mutual visits of ranking personnel across the Taiwan Strait, which actually can be conducted immediately. The document still insists on the original position of the Taiwan authorities on the reunification issue. This only will delay the reunification process. Some people, clearly lacking an understanding of themselves, even dream of "transforming the mainland" by modeling after Taiwan. We hope that the Taiwan authorities will make fewer empty remarks, do more practical work, clear obstructions, and work in a down-to-earth manner to benefit the people across the Taiwan Strait, the development of cross-strait relations, and national reunification.

The responsible person added: We always have advocated enforcement in the same country after peaceful reunification of different political, social, and economic systems by the two sides of the Taiwan Strait, under

which neither side will devour the other. Proceeding from the principle of upholding one China, we resolutely oppose Taiwan independence and any speech or action that leads to "Two China" or "One Country, Two Governments." After national reunification, Taiwan will enjoy with us the high international status and respect that has been accorded China.

Last of all, the responsible person said: The CPC and the Chinese Kuomintang shoulder unshirkable historical tasks in the great cause of reunifying the motherland. They should aim for the well-being of all Chinese people and hold direct consultations on a reciprocal basis at the earliest possible date. They could invite people representing other parties to participate in the consultations and fully solicit opinions from various organizations and personages from all circles. We only can overcome our differences and reach a consensus on realizing the peaceful reunification of the motherland through discussions and when the two sides embrace the principle of one China.

Article Examines Mainland-Taiwan Relations

HK2103123191 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 13 Mar 91 p 5

[Article by Ren Pinsheng (0117 0756 3932): "Prospects for Cross-Strait Relations"]

[Text] Editor's note: The first issue of TONGYI LUNTAN [REUNIFICATION FORUM] this year carried an article by Ren Pinsheng, deputy head and research fellow at the Institute of Taiwan Studies of the Academy of Social Sciences of China, entitled "Prospects for Cross-Strait Relations." We publish a summarized version of the article, as follows. [end editor's note]

Since 1979, when the Standing Committee of the National People's Congress issued the "Letter to Taiwan Compatriots," cross-strait relations have experienced important changes. At present, relations across the strait again are at a new turning point. What of the future developments of cross-strait relations and the prospects for the country's peaceful reunification? How can we promote the development of cross-strait relations and the process of the country's peaceful reunification? This article intends to suggest some unrefined opinions.

I

The 1990's is the most crucial period for the development of cross-strait relations and for solving the reunification problem.

Since the 1980's, the international political and economic situations have experienced great changes; in the 1990's, this kind of change will continue developing; to meet the challenge of the 21st century, Eastern and Western countries are adjusting their own development strategies, and formulating long-term plans for developing high technology as the lead, to stimulate the development of the national economy.

The trend of international economic grouping is still developing. The regional economic organizations such as the North America free trade zone, the European Community, and the Australia-New Zealand free trade alliance, one after another have entered the phase of actual practice. The countries in the Asia-Pacific region also have been looking for ways of economic cooperation in the region. The emergence of this kind of situation is beneficial to promoting communication and dialogue between the authorities on both sides of the strait, on the one hand. On the other, it is a new and serious challenge to the Chinese nation. The situation will compel each Chinese, especially the authorities on both sides of the strait, to face a solemn problem: "What should China do?" Should the efforts in internal strife be continued? Or should there be cooperation hand-in-hand to face the challenge?

First, promotion of the development of economic relations across the strait is in accordance with the economic development strategies on both sides. The Third Plenary Session of the 11th CPC Central Committee, which was convened in 1978, adopted the main principle of reform and opening up, and in the past 10 years, we have made marked achievements. Taiwan is experiencing a change in economic pattern, and it has formulated an economic development strategy centering on industrial development. Although the systems on both sides of the strait are different, both sides seek reform, opening up, and stable economic development; both sides can borrow experiences from each other in many aspects, and develop together; and the two sides should not be mutually exclusive.

Second, there is great potential and prospects for both sides to conduct extensive economic and technological cooperation. The mainland and Taiwan have the same culture and are of the same race, and are geographically close; each has its strong points in economy and technology, and each can strongly supplement the other's needs. The mainland has rich resources, a large market, abundant cheap labor, and a comparatively complete industrial system; it has relatively great strength in the aspects of basic research and hi-tech research, but it lacks capital and modern management experience. Taiwan has overabundant funds, comparatively mature applied technologies, abundant management experience, and is skillful in international business, but it lacks resources and labor, and therefore production costs increase while its competitiveness in the international community decreases day by day. Therefore, if both sides can cooperate hand-in-hand and supplement one another's needs, it will be very beneficial to economic development on both sides.

Third, the pressure from public opinion on the island will compel the Taiwan authorities to further adjust the economic and trade policy toward the mainland. Although the Taiwan authorities have gradually relaxed the restrictions on indirect trade during recent years, up to now they still prohibit direct trade and direct investment across the strait, and block the passage of the "three communications," and this has been extensively condemned by Taiwan public opinion, and in particular,

strongly criticized by industrial and commercial circles. According to surveys of Taiwan manufacturers conducted by TIEN-HSIA and TZU LI WAN PAO, 70 percent of the respondents said the ban on direct investment in the mainland should be lifted, and 81 percent agreed to direct trade. Recently, many scholars, industrialists, and businessmen from Taiwan and overseas, and even some "members of the National Assembly" and "the Legislative Branch" have organized groups and have come to the mainland for inspection, and this inevitably will arouse a new "investment craze" and "trade craze." This is a trend the Taiwan authorities have no way of stopping.

At present, it has become more clear that attaining peaceful reunification as soon as possible is not only beneficial to the mainland, but also a big problem concerning the future of Taiwan. Recently, the struggle between reunification and independence on the island has become open and aboveboard, and now has become a "serious political phobia" for the Taiwan authorities. Even Taiwan newspapers think that the "current difficulty in political development in Taiwan indeed arises from the separation between the two sides of the strait," and that in order to overcome Taiwan's political and economic difficulty, the Taiwan authorities should take some actions of a future perspective, and pursue the country's reunification. Taiwan's policy toward the mainland "not only concerns the people's interests and convenience, but also has a bearing on the safety or danger to its political power, and on the separation or unity of the two sides of the strait." Some senior Kuomintang [KMT] members and some public opinion representatives also openly advocate the "giving up of the three no's policy," to seek a way for peaceful reunification through contacts and dialogues between the two sides of the strait.

Let us look at the trend of future development on both sides of the strait. At present, the Taiwan authorities rely on some strong points in the economy. However, if we observe more carefully, we will find that the strong points now possessed by Taiwan are nothing more than great reserves of foreign exchange, and higher per capita income than the mainland. Judged from the development point of view, Taiwan can expect to maintain the strong point in per capita income for a long period to come, but other than this—judged from such aspects as overall economic strength, and research on and development of high technology—the mainland will show more of its strength and strong points. Within the Taiwan authorities, some people still have the idea of "relying on the United States for survival," for retaining sovereignty over a part of the country for a long time. The Chinese people's affairs must be solved by the Chinese themselves; protection by foreigners is not really reliable. Therefore, both sides interact, talk, and seek peaceful reunification, and this indeed is the only outlet. This is a strong desire among the people on both sides of the strait, and a historical mission shouldered by the politicians on both sides.

To summarize these discussions, in the 1990's, under the impetus of development at home and abroad, it is possible for both sides of the strait to break through the current impasse, to sit down at the negotiating table, and gradually to solve the relevant problems, including political ones, so as to pave the way for a final solution of the reunification problem. Of course, people should understand that it is an arduous task to solve problems that have remained unsolved for more than 40 years.

II

China must be and will be reunified. In order to promote further improvement of relations between the two sides of the strait, and gradually to create beneficial conditions for the country's reunification, I make some rough suggestions, as follows:

1. Over the past 10 years, relations between the two sides of the strait have eased and relaxed, but the historical feud between the KMT and the CPC is deep, and the two sides cannot but be on alert against each other. Therefore, both the KMT and the CPC should treat each other with sincerity and should avoid doing anything that might adversely affect the atmosphere across the strait. The CPC already has made great efforts in this, and has taken the initiative in seeking a mutually trusting relationship; it has exercised restraint when criticizing some negative policies adopted by the ruling KMT authorities. Looking at some moves by the Taiwan authorities, such as the campaign for "dual recognition, two equal governments" in the international community, the creation of the "sense of enemy and self" when handling relations between the two sides of the strait, and the proposal that the CPC must give up the "four cardinal principles" and adopt the "Taiwan model," saying this is the prerequisite for changing the "three no's policy," the CPC cannot but doubt the Taiwan authorities' sincerity for peace. If things go on like this, will the current easing turn again to confrontation? People cannot refrain from worrying. Therefore, I think both sides should understand that unity across the strait means benefit; separation means harm. As long as both sides set store by the interests of the country and the nation, and adopt the pragmatic attitude of respecting history and reality, the Chinese people have adequate strength and wisdom gradually to overcome the difficulties and differences lying ahead on the road to reunification.

2. Both sides should start exploring the style, steps, and conditions for peaceful reunification of the two sides of the strait.

At present, both sides have proposed some ideas on reunification, and some scholars even have suggested various reunification models. Although the contents are different, they are efforts, of a kind, to seek a solution. On the basis of seeking consensus on major points and allowing differences on minor points, both sides should look for a meeting point for reunification which is acceptable to both. The CPC has proposed the principles

of "one country, two systems, and peaceful reunification," which are based on full respect for history and reality, and follow careful thought. According to this plan, Taiwan can retain all its current rights except its "legitimate rule," which ceased to exist a long time ago; it also can enjoy economic benefits by conducting mutually supplementary activities with the mainland, and cast off the difficult situation of international isolation and of slavishly depending on others. Therefore, comparatively, it is a fair and reasonable plan for a solution, and should not be carelessly condemned as a "united front conspiracy," "dwarfing Taiwan," or even "eating" Taiwan. Based on the concept of this principle, the problem of Hong Kong and Macao has been solved smoothly. Of course, Taiwan is different from Hong Kong and Macao, and we cannot borrow the plan indiscriminately. If the Taiwan side has any different opinion, we can conduct consultations and dialogues to seek a reunification plan acceptable to both sides. As long as we can sit down and talk, we can eventually find a way to solve the problem. At present, we can carry out consultations on many concrete problems arising from the booming exchanges across the strait, so as to protect both sides' legitimate

rights and enable every exchange to have rules and regulations to follow, thus avoiding conflict. Stubbornly adhering to the outdated "three no's policy" can lead only to more passiveness and ridicule.

3. On the basis of observing the principle of reciprocity and mutual benefit, both sides should actively promote the normal development of economic relations across the strait. As mentioned earlier, the economies on both sides of the strait are of a supplementary nature, and the development of economic relations across the strait is in accordance with the interests of both sides. Both sides should pay attention to economic returns, reduce political interference, and carry out multilevel, multichannel, and multistyle economic and technological cooperation. Indirect trade should be changed to direct economic and technological cooperation as soon as possible. I sincerely hope the Taiwan authorities will consider their own interests and the great undertaking of national reunification, conform to the trend of the situation, give up prejudice and historical hatred, and make efforts to promote economic and technological cooperation across the strait and the undertaking of reunification of the country.

'No Concessions' Made in Trade Talks With U.S.
*OW2103175391 Taipei CNA in English 1546 GMT
21 Mar 91*

[Text] Taipei, March 21 (CNA)—Council of Agriculture (COA) Chairman Yu Yu-hsien said Thursday that the Republic of China [ROC] made no concessions to U.S. demands to further open its market for chicken parts, peanuts, and animal internals in last week's ROC-U.S. trade talks.

Yu said that the speed with which the ROC is opening its agricultural market has been very fast, but appropriate measures to limit imports will be taken in the future so that domestic farmers will not suffer.

In recent years the ROC has gradually opened its agricultural market to U.S. turkey meat and whole ducks, and has become an important market for U.S. apples and grapefruit. The U.S., however, still thinks the pace for opening ROC market is too slow and has asked Taipei to open its agricultural market further, Yu added.

He was responding to interpellations at the Legislative Yuan.

Trade Mission Stresses Purchase of U.S. Equipment
*OW2003125091 Taipei CNA in English 1035 GMT
20 Mar 91*

[Text] Chicago, March 19 (CNA)—Governor Jim Edgar of Illinois Tuesday welcomed the Republic of China's [ROC] environmental equipment purchase mission here stressing to further solidify trade ties between his state and the ROC on Taiwan.

During a meeting at the state government house, Governor Edgar expressed the hope the two sides would continue to increase exchanges of trade and investments.

ROC mission leader Lin Yi-fu, deputy director-general of the Board of Foreign Trade [BOFT], told Governor Edgar that his mission intends to buy more than 200 million U.S. dollars worth of environmental protection equipment during this visit to the U.S.

The ROC would also heartily welcome Governor Edgar to visit Taiwan in the near future to further enhance economic and other cooperative ties between the two sides.

On behalf of the CNA Chicago office, Tseng Ching-yuan gave a reception in honor of the mission.

Tseng urged more than 100 Chinese and American business leaders and government officials to use the opportunity of the mission's visit to sell products and technologies to the ROC.

"In the next six years, the ROC will spend more than 300 billion U.S. dollars in major construction projects. We welcome U.S. business leaders to make good use of the chance," he emphasized.

Tseng said the mission's visit indicated the ROC's determination to balance its two-way trade with the U.S.

Since its arrival last weekend, the mission has completed some 140 business talks with concerned American companies.

The mission will depart for Atlanta March 20 to attend an international water conference at the Jimmy Carter Presidential Center. Afterwards, it will visit Boston before returning to Taipei.

Cabinet Statement Stresses Arms Sales Limits
*OW2103043391 Taipei CNA in English 0328 GMT
21 Mar 91*

[Text] Taipei, March 21 (CNA)—The Republic of China [ROC] will only sell military equipment to friendly, noncommunist nations, the cabinet announced in a statement Wednesday.

"In principle, arms exports will only be conducted on a government-to-government basis," the cabinet added in a written reply to an interpellation by Legislator Chen Shui-pien of the opposition Democratic Progressive Party (DPP).

The cabinet also told the lawmaker that an investigation has found no evidence of ROC military equipment being sold to Iraq.

Citing foreign statistics for 1988, the statement said, the proportion of the Republic of China's military spendings to its gross national product (GNP) ranked 34th in the world, lagging behind that of the Soviet Union, the United States, South Korea, and 30 other countries.

In terms of the proportion of military spendings to the total government budget, the country placed fourth in 1988, less than that of Iraq, the Soviet Union, and Oman.

The statement also noted the country's successful efforts to develop urgently needed weapons that it has had difficulty buying from foreign countries.

"We have established a sound research and development foundation. We have also launched a number of research and development projects, which are proceeding smoothly and have achieved major breakthroughs," it said.

According to the statement, the breakthroughs included different weapons developed to strengthen the Republic of China's air- and sea-defense and anti-coastal landing capabilities.

Four prototypes of the country's first locally-developed jet fighter—the Ching-kuo—have rolled out of the plant and been successfully test-flown, the statement said.

The newly-developed Tienkung (Sky Bow) surface-to-air missile has also been commissioned by army units, it added.

In naval defense weapons systems, the statement said, the country began building a new generation of guided-missile frigates in January 1990. It has completed the deployment of the Hsiung-feng I anti-ship missile and has the advanced Hsiung-feng II missile under production.

The Army is also gearing up to renew its equipment, it said. The country has begun mass production of M48H tanks, which are expected to strengthen the Army's anti-coastal landing capabilities.

KMT Officials Propose Mainland Trade Ceiling

OW2103124991 Taipei CNA in English 1552 GMT
20 Mar 91

[Text] Taipei, March 20 (CNA)—Highly placed Kuomintang [KMT] officials proposed Wednesday that the government set a ceiling on the volume of Taiwan's trade volume with mainland China.

Mainland trade should be kept under 10 percent of the country's total foreign trade so the nation will not become too dependent on mainland Chinese markets, they said at a KMT Central Standing Committee meeting.

Koo Chen-fu, Hsu Sheng-fa, Yu Kuo-hwa and K.T. Li argued that Communist China has never separated economics from politics. "Political designs are always behind their economic policy," they pointed out.

The members of the KMT Central Standing Committee cited the Japanese practice of limiting trade with Communist China to 10 percent of overall trade in order to avoid "falling into communist traps."

KMT Chairman Lee Teng-hui did not make any comment on the proposal, but asked the party's economics and finance task force to further study the subject.

The Board of Foreign Trade (BOFT) agreed with the proposal. "A 10-percent share of overall trade would be an alarming level," BOFT Director General Sheu Ke-sheng said.

He warned that some domestic manufacturers have reached a "dangerous level" of 70 or even 80 percent dependency on mainland markets.

"These companies must diversify their markets quickly," Sheu added.

Economics Minister Vincent Siew, in a report to the KMT decisionmaking body, admitted that growing cross-Taiwan Strait trade was inevitable.

The Republic of China [ROC] is different from other countries when it comes to trading with Communist China, Siew said, in that "sensitive political issues" are involved in trade between the two sides of the Strait.

"We cannot make policy purely from an [word indistinct] point of view," he said, "because Peking has never changed its strategy of mixing economics with United Front tactics."

Against such a backdrop, the government will continue its policy of allowing only indirect trade and investment ties with the mainland, the minister said. [words indistinct] The Economics Ministry has asked ROC businessmen to inform the government of their mainland investments in a bid to legalize such investments and to help them collectively protect the overall interests of ROC investors on the mainland.

Siew urged the entrepreneurs to do so before April 8, and assured that "pure investments" will not bring them any trouble.

As to future investments, Siew said they must win government approval in advance.

After the rule on civilian relations across the Strait is approved by the Legislative Yuan, he noted, those who fail to report their mainland investments to the government will be punished.

Chang Hsiao-yen on Mainland's Isolation Policy

OW2003125191 Taipei CNA in English 0958 GMT
20 Mar 91

[Text] Tokyo, March 20 (CNA)—Republic of China [ROC] Vice Foreign Minister Chang Hsiao-yen in an interview in Taipei with Japan's ASAHI SHIMBUN said that Red China should alter its policy of isolating the ROC on Taiwan.

"It has been (China) mainland's policy to do everything to try to isolate us, but if we were driven to isolation, the argument for Taiwan's independence will be on the rise, and this will be a great disadvantage to mainland," he said.

"As long as the mainland side does not change its response to us, it is quite impossible for the unification (of China)," he added.

In the interview printed Wednesday, Chang also said:

—The ROC's substantive diplomacy is to develop relations with countries without formal ties by setting up representative offices or liaison offices. In addition to maintaining diplomatic ties with 28 countries, we have 80 representative offices and trade offices in 50 countries without formal ties, and 30 countries without diplomatic ties with us have liaison offices in Taiwan.

—If Peking recognizes Seoul, it will face a paradox and be criticized for creating "two Koreas" while itself continuing to reject recognition of "two China's."

—There will be no big development in Taipei's relations with Moscow in the coming two to three years. The existing relations are limited to the economic and trade fields.

—No formal contacts with North Korea have been made. Relations (with Pyongyang) are not easy to be developed to political level. [sentence as received]

The MAINICHI SHIMBUN printed an interview with Chang on March 16 which has similar contents.

Cabinet Approves ROK Judicial Files Exchange

*OW2103181391 Taipei CNA in English 1513 GMT
21 Mar 91*

[Text] Taipei, March 21 (CNA)—The cabinet Thursday approved a five-year extension of the judicial files

exchange agreement between the Republic of China and the Republic of Korea, retroactive to July 9, 1990.

The English-language accord was first signed in Taipei July 8, 1985 to promote friendship and mutual understanding between the two judicial systems.

Under the agreement, the two countries regularly exchange documents on their judiciary systems, verdict accords, legal studies and judicial statistics.

The documents are for official reference only and cannot be made public without the other country's consent.

Hong Kong

Editorial on Ji Pengfei, Lu Ping Visit

HK2103132791 Hong Kong WEN WEI PO in Chinese
14 Mar 91 p 2

[Editorial: "Ji Pengfei and Lu Ping's Successful Visit to Hong Kong"]

[Text] Mr. Ji Pengfei; Lu Ping, director of the State Council Hong Kong and Macao Affairs Office; and party have ended their visit to Hong Kong satisfactorily. They left Hong Kong for Beijing today.

During the visit—despite a long journey, fatiguing tasks, and frequent activities—Ji Pengfei, Lu Ping, and party conducted a series of on-the-spot investigations and met with people from all circles and strata. They obtained good results in improving mutual understanding.

At present, Hong Kong is in the second half of the transition period, and the people of Hong Kong are particularly concerned with their future and harbor some misgivings. This is unavoidable. During their contact with people from all circles and strata, they repeatedly stressed China's stand of implementing "one country, two systems" consistently and without change, and of maintaining Hong Kong's stability and prosperity. Moreover, Ji Pengfei and Lu Ping gave specific explanations on questions of common and individual concern to all strata. People from all circles and strata not only clearly saw the Chinese Government's good faith and determination in implementing "one country, two systems," but also received the answers and guarantees they needed regarding specific questions, which was favorable to reinforcing their confidence in the future of Hong Kong.

Of the series of statements made during Ji Pengfei and Lu Ping's visit to Hong Kong, that receiving most attention was the one given by Lu Ping at the Hong Kong General Chamber of Commerce luncheon meeting. The reason the speech was welcomed was not because it was given in English, but mainly because of its content and because Lu Ping gave a penetrating and earnest elaboration of China's policy for Hong Kong in accordance with the Basic Law. He said that Hong Kong will be an international center of finance, trade, sea transportation, and aviation. In order to ensure this, Hong Kong will remain a free port after 1997 and the interests of foreign investors will be protected. He vividly compared Hong Kong to an oasis of free trade and an all-directional and open "store of treasures" into which financial and personnel treasures flow continuously. With convincing evidence, he pointed out that Hong Kong's investment environment after 1997 definitely will be unique in the world. This is because of the legal protection given by the

Basic Law to the unique status of Hong Kong and because Hong Kong, when closely linked with its own motherland, will become a bridge, channel, and window linking China and the world and will be mutually supporting and mutually benefiting with the motherland. Lu Ping used sincere terms to express the words in his heart: "Hong Kong's prosperity is the prosperity of China." "Your success is our success." Lu Ping's speech won the warm applause of participants in the meeting and was widely appreciated and well received.

By means of on-the-spot investigation and contact with people of different circles, Ji Pengfei, Lu Ping, and party now have a better understanding of Hong Kong's current situation and of how people feel and think. This has made them feel concretely that many people now have stronger confidence in Hong Kong's future. It also has convinced them further that despite numerous difficulties and hardships, if China and Britain just abide by the Joint Declaration and strengthen cooperation, added to the efforts of 6 million Hong Kong compatriots, the stable transition of Hong Kong definitely will be realized and Hong Kong will continue to be prosperous and to develop.

During the visit to Hong Kong this time, Lu Ping met twice with Hong Kong Governor Sir David Wilson, and they both said the meeting was beneficial and that some new progress had been made on the new airport issue. Facts have attested that China takes an open and aboveboard stand on the new airport issue. China agrees that Hong Kong needs a new airport, but it should entail the least investment and bring the greatest efficiency, and the transparency of the airport scheme should be enhanced and views should be widely solicited. China is particularly concerned with the financial question regarding the construction of the new airport. China hopes that sufficient reserves will be left with the future special administrative region government because it only wants to ensure Hong Kong's long-term stability and prosperity. At present, some questions on the new airport scheme still require further negotiation. Nonetheless, if only China and Britain continue to take a sincere and cooperative attitude, the question of the new airport can be resolved satisfactorily under mutually acceptable conditions.

We are glad to see that during their visit to Hong Kong Ji Pengfei and Lu Ping obtained positive results in improving the understanding and cooperation between China and Britain, and between the mainland and Hong Kong. Their visit this time has left a deep impression on the hearts of the Hong Kong people. We sincerely hope that the understanding and cooperation between China and Britain, and between the mainland and Hong Kong will develop further on the basis of the results obtained through this visit to Hong Kong by Ji Pengfei and Lu Ping.

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